NOTE

This Microfiche meets the quality requirements of the American National Standard for Microfiche of Documents (ANSI PH5.9-1975). However, because of imperfections in the document from which it was made, it contains images that are illegible or difficult to read. The source document for this microfiche is the best copy that could be obtained prior to filming.

Congressional Information Service, Inc.
Washington, D.C.

S. Hrg. 98-257

FOREIGN RELATIONS AUTHORIZATION ACT

HEARINGS

BEFORE THE

COMMITTEE ON FOREIGN RELATIONS UNITED STATES SENATE

NINETY-EIGHTH CONGRESS

FIRST SESSION

ON

S. 734

A BILL TO AUTHORIZE APPROPRIATIONS FOR THE UNITED STATES INFORMATION AGENCY TO CARRY OUT IN FISCAL YEARS 1984 AND 1985 INTERNATIONAL COMMUNICATION AND EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS, AND FOR OTHER PURPOSES.

S. 694

A BILL TO AMEND THE BOARD FOR INTERNATIONAL BROADCASTING ACT OF 1973, TO AUTHORIZE A SUPPLEMENTAL APPROPRIATION FOR FISCAL YEAR 1983 AND TO AUTHORIZE APPROPRIATIONS FOR FISCAL YEARS 1984 AND 1985.

S. 660

A BILL TO AUTHORIZE APPROPRIATIONS FOR FISCAL YEARS 1984 AND 1985 FOR THE DEPARTMENT OF STATE.

MARCH 2, 9, and APRIL 27, 1983

Printed for the use of the Committee on Foreign Relations

U.S. GOVERNMENT PRINTING OFFICE

20-612 O WASHINGTON : 1983

S 381-41

COMMITTEE ON FOREIGN RELATIONS

CHARLES H. PERCY, Illinois, *Chairman*

HOWARD H. BAKER, Jr., Tennessee	CLAIBORNE PELL, Rhode Island
JESSE HELMS, North Carolina	JOSEPH R. BIDEN, Jr., Delaware
RICHARD G. LUGAR, Indiana	JOHN GLENN, Ohio
CHARLES McC. MATHIAS, Jr., Maryland	PAUL S. SARBANES, Maryland
NANCY L. KASSEBAUM, Kansas	EDWARD ZORINSKY, Nebraska
RUDY BOSCHWITZ, Minnesota	PAUL E. TSONGAS, Massachusetts
LARRY PRESSLER, South Dakota	ALAN CRANSTON, California
FRANK H. MURKOWSKI, Alaska	CHRISTOPHER J. DODD, Connecticut

EDWARD G. SANDERS, *Staff Director*
GERYLD B. CHRISTIANSON, *Minority Staff Director*

CONTENTS

Hearing days: Page

March 2, 1983 1
March 2, 1983 155
March 9, 1983 193
April 27, 1983 253

MARCH 2, 1983—U.S. INFORMATION AGENCY

Statement of—

Berendzen, Richard, member, American Council on Education, Committee on International Education, Washington, D.C 37
Fulbright, Hon. J. William, former chairman, Senate Committee on Foreign Relations 35
Reichard, John F., member, Steering Committee, International Educational Exchange Liaison Group, Washington, D.C 42
Richardson, Hon. John, chairman, the Consortium for International Citizen Exchange, Washington, D.C 40
Rosenblith, Walter, member, American Council on Education, Committee on International Education, Washington, D.C 45
Sommer, Al, Jr., Board of Directors, Council of International Programs, Washington, D.C 46
Wick, Hon. Charles Z., Director, U.S. Information Agency, accompanied by Ambassador Gerald B. Helman, Deputy to the Under Secretary for Political Affairs, Department of State; Jonathan Sloat, General Counsel and congressional liaison, USIA; Stanley Silverman, Comptroller, USIA; and Ronald Trowbridge, Associate Director for Educational and Cultural Affairs, USIA 7

Insertions for the record:

Text of S. 734 2
Do we really need to sell democracy?—reprinted from the Washington Post, Feb. 27, 1983 25
Mr. Richardson's biographical data 39
Prepared statement of Hon. John Richardson 41
Prepared statement of John F. Reichard 43
Prepared statement of Al Sommer, Jr 47
USIA's responses to additional questions submitted by Senator Percy 49
USIA's responses to additional questions submitted by Senator Pell 55
USIA's responses to additional questions submitted for the record 73

MARCH 2, 1983—BOARD FOR INTERNATIONAL BROADCASTING

Statement of—

Shakespeare, Hon. Frank, Chairman, Board for International Broadcasting, accompanied by Hon. Ben J. Wattenberg, Vice Chairman, BIB, and Hon. James I. Buckley, President, Radio Free Europe/Radio Liberty, Inc 158

Insertions for the record:

Text of 694 156
Letter to Senator Percy from the Society of International Broadcasters, dated February 28, 1983, regarding pension benefits 167
Pension benefits of early retirees—submitted by BIB 168
BIB's responses to additional questions submitted for the record 176

MARCH 9, 1983—DEPARTMENT OF STATE

Statement of— Page

Newell, Hon. Gregory J., Assistant Secretary for International Organization Affairs, Department of State, accompanied by Mark Edelman, Deputy Assistant Secretary for International Management and Budget Analysis; Richard V. Hennes, Executive Director and Kevin E. Carroll, Director, Office of International Conferences 202

Purcell, James N., Jr., Director, Bureau for Refugee Programs, Department of State, accompanied by Robert L. Funseth, Sr., Deputy Assistant Secretary, and Rozanne Oliver, Director, Office of Programs and Budget 205

Van Gorkom, Hon. Jerome W., Under Secretary for Management, Department of State, accompanied by Roger B. Feldman, Comptroller, and Loren A. Jurvis, Director, Office of Budget and Planning 198

Insertions for the record:

Text of S. 660 134

Prepared statement of Hon. Jerome W. Van Gorkom 199

Prepared statement of Hon. Gregory J. Newell 203

Prepared statement of James N. Purcell, Jr 206

Human Rights Bureau backlog 211

Noncareer appointments—Reagan and Carter administrations 212

Upgrade the COCOM organization 216

State Department's responses to additional questions submitted by Senator Mathias 220

State Department's response to additional questions submitted for Senator Pell 234

State Department's responses to Additional questions submitted for the record 236

APRIL 27, 1983—NATIONAL ENDOWMENT FOR DEMOCRACY

Statement of—

Farren, J. Michael, on behalf of Frank J. Fahrenkoph, Jr., chairman, Republican National Committee, Washington, D.C 266

Fascell, Hon. Dante B., chairman, Subcommittee on International Operations of the Committee on Foreign Affairs, U.S. House of Representatives 253

Samuels, Hon. Michael A., vice president, International, Chamber of Commerce of the United States, Washington, D.C 268

Weddington, Hon. Sarah, on behalf of Hon. Charles T. Manatt, cochairman, the Democracy Program and chairman, Democratic National Committee, Washington, D.C 264

Weinstein, Allen, research director, the Democracy Program, Washington, D.C 259

Insertions for the record:

Prepared statement of Hon. Dante B. Fascell 255

Prepared statement of Allen Weinstein 260

Prepared statement of Lane Kirkland, president, AFL–CIO, Washington, D.C 262

Prepared statement of Hon. Charles T. Manatt, cochairman, the Democracy Program and chairman, Democratic National Committee 264

Prepared statement of Hon. Michael A. Samuels 268

U.S. INFORMATION AGENCY AUTHORIZATIONS

WEDNESDAY, MARCH 2, 1983

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The committee met, pursuant to notice, at 10:05 a.m., in room SD-419, Dirksen Senate Office Building, Hon. Charles H. Percy (chairman of the committee) presiding.

Present: Senators Percy, Mathias, Kassebaum, Pell, Tsongas, and Dodd.

The CHAIRMAN. I have not yet seen him, but I understand that the former, very distinguished chairman of this committee is in the audience. There he is, Senator Fulbright. [Applause.]

In 10 years on this committee, on your committee, I have never known the precedent of ever pointing out anyone in the audience and applauding them, but in this case we will set precedent, and if you will come more frequently we will do it every time you are in this room.

I recently invited Senator Fulbright for lunch—I was seeking his council and advice on a perplexing problem—and was startled to find that that was the first time he had been back to the Senate since he left. This must be the second. I think he has the same rule that I have with my former company, "I won't call you, you call me." But we really appreciate your being here, Senator Fulbright, very much indeed.

Today, the Committee on Foreign Relations will be receiving testimony on S. 734, the authorization request of the U.S. Information Agency [USIA] for $20 million supplemental appropriation in fiscal year 1983, $711 million in fiscal year 1984, and $871 million in fiscal year 1985.

The fiscal year 1984 request is $165 million, or 30.4 percent greater than the funds appropriated for the Agency in fiscal year 1983, in the Continuing Appropriations Act, Public Law 97-377. A large portion of the increase is allocated for the President's new Democracy Project. This must be one of the largest percentage increases requested this year.

The purpose of this hearing will be to closely examine this program and to exercise the committee's traditional oversight responsibilities over the traditional USIA functions, including academic and international visitor exchanges, the Voice of America [VOA], and the publications of books and periodicals.

[Text of S. 734 follows:]

98TH CONGRESS
1ST SESSION

S. 734

To authorize appropriations for the United States Information Agency to carry out in fiscal years 1984 and 1985 international communication and educational and cultural exchange programs, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 9 (legislative day, MARCH 7), 1983

Mr. PERCY (by request) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

---

A BILL

To authorize appropriations for the United States Information Agency to carry out in fiscal years 1984 and 1985 international communication and educational and cultural exchange programs, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE II—UNITED STATES INFORMATION AGENCY

SHORT TITLE

SEC. 201. This title may be cited as the "United States Information Agency Authorization Act, Fiscal Years 1984 and 1985".

AUTHORIZATION OF APPROPRIATIONS

SEC. 202. (a) There are authorized to be appropriated for the United States Information Agency $711,427,000 for the fiscal year 1984 and $871,039,000 for the fiscal year 1985 to carry out international information, educational, cultural, and exchange programs under the United States Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, and Reorganization Plan Numbered 2 of 1977, and other purposes authorized by law. Of the amounts authorized, not to exceed $47,959,000 for the fiscal year 1984 and $179,426,000 for the fiscal year 1985 are authorized to remain available until appropriated and expended for the acquisition and construction of radio facilities.

(b) Section 302 of the United States Information Agency Authorization Act, Fiscal Years 1982 and 1983, is amended by striking out "$559,000,000 for the fiscal year 1983" and inserting in lieu thereof "$579,000,000 for the fiscal year 1983".

(c) The United States Information Agency Authorization Act, Fiscal Years 1982 and 1983, is amended by striking out the language appearing under section 305(c) and inserting in lieu thereof:

"(c) The amount obligated by the United States Information agency in each fiscal year after fiscal year 1982 for

grants for exchange of persons activities shall equal or exceed (in terms of constant dollars) the amount obligated for such grants for fiscal year 1982.".

CHANGES IN ADMINISTRATIVE AUTHORITIES

SEC. 203. (a) Section 501 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1461) is amended by adding at the end thereof the following sentence: "Notwithstanding the foregoing provisions, such information, whether or not prepared for dissemination abroad, may also be made available within the United States, its territories, and possessions to foreign diplomatic and consular officials accredited to the United States Government or to the United Nations or any of its related organizations: *Provided*, That no such official shall make or allow the further dissemination of such information within the United States, its territories, or possessions except to other foreign diplomatic or consular officials in the above-described categories.".

(b) Section 804 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1474) is amended by deleting the word "and" at the end of paragraph (19), deleting the period and inserting a semicolon and the word "and" at the end of paragraph (20), and adding a new paragraph (21) reading as follows:

"(21) notwithstanding section 529 of title 31 and section 5536 of title 5 of the United States Code,

grant to each of no more than five employees assigned to duty in New York, New York, and required because of important representational responsibilities to live in the extraordinarily high-rent area immediately surrounding the headquarters of the United Nations in New York, New York, an allowance of the same kind and amount provided to employees of the staff of the United States Mission to the United Nations pursuant to section 9(1) of the United Nations Participation Act of 1945 (22 U.S.C. 287e–1(1)).".

(c) Section 801(3) of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1471(3)) is amended to read in part as follows:

"(3) whenever necessary in carrying out title V of this Act, to purchase, rent, construct, improve, maintain, and operate facilities for radio transmission and reception, including the leasing of associated real property (either within or outside the United States) for periods not to exceed twenty-five years, or for longer periods if provided for by an appropriation Act;".

The CHAIRMAN. Senator Pell, do you have an opening statement?

Senator PELL. Thank you, Mr. Chairman.

I join you in welcoming Director Wick and his colleagues today.

Over the past 2 years, Charles Wick has ably directed the USIA and, in a remarkable feat in a time of budgetary austerity, has won many long-overdue enhancements of Agency programs. He has certainly done his best to stay in close touch with the Congress.

I look forward to working with Chairman Percy and Mr. Wick, to win approval of funding in this fiscal year, to upgrade the antiquated facilities of the VOA. It is imperative that the VOA not only broadcast accurate, objective, and balanced news programs, but also that it must be heard.

I also look forward to hearing testimony on the proposed Democracy Project. While I support the concept, I believe we must carefully examine the particulars of the program to insure that it will be balanced and bipartisan. I believe we should examine the alternative proposals including one to be submitted by the American Political Foundation. I also believe the project must be weighed against ongoing programs with a proven record of promoting democracy such as the exchange programs.

USIA's top legislative priority, however, must be, in my view, meeting the congressionally mandated requirements that exchange of persons be doubled between fiscal year 1982 and fiscal year 1986. This is a provision of law about which some of us feel particularly strongly. I, in particular, feel strongly, as I am its author. I note, therefore, with dismay that instead of proposing the needed budget levels for exchanges, the administration is instead proposing repeal of my amendment. Needless to say, I shall oppose that repeal. I shall seek to fund the exchange programs at the levels required to meet the terms of my amendment.

I am also concerned about press reports that USIA has used money authorized for educational exchanges under the Fulbright-Hayes Act, for seminars designed to promote short-term policy objectives of this particular administration. Whatever the merits of the grants in question, they are not an appropriate use of education and cultural exchange funding.

I am therefore considering legislation to give the exchange programs a charter to protect their scholarly integrity and legally mandated nonpolitical character. I understand some of our academic witnesses have thoughts on the charter concept and we look forward to hearing them.

In conclusion, I would like to emphasize the point that the exchange programs are proven a success. When you travel overseas, as so many of us do, the one point all of our Ambassadors make is, "For goodness sakes, can't we have more exchange programs; can't we have more young people from the country where I am stationed, going to the United States, and vice versa." This is why the amendment doubling the exchange programs, while far short of my original amendment for a tenfold increase, must be the top priority for USIA as it is absolutely central to the Agency's mission. Any other programs should take second place to fulfilling the present requirements of law concerning the exchange program.

The CHAIRMAN. Thank you very much, Senator Pell.

Mr. Wick, I wonder if you would proceed with your testimony. You might introduce your distinguished colleagues accompanying you today.

STATEMENT OF HON. CHARLES Z. WICK, DIRECTOR, U.S. INFORMATION AGENCY, ACCOMPANIED BY AMBASSADOR GERALD B. HELMAN, DEPUTY TO THE UNDER SECRETARY FOR POLITICAL AFFAIRS, DEPARTMENT OF STATE; JONATHAN SLOAT, GENERAL COUNSEL AND CONGRESSIONAL LIAISON, U.S. INFORMATION AGENCY; STANLEY SILVERMAN, COMPTROLLER, U.S. INFORMATION AGENCY; AND RONALD TROWBRIDGE, ASSOCIATE DIRECTOR FOR EDUCATIONAL AND CULTURAL AFFAIRS, U.S. INFORMATION AGENCY

Mr. WICK. On my far left is Ambassador Helman of the U.S. State Department, who is one of their leading experts, with a long and distinguished record of work in behalf of this country.

Immediately on my left is Jonathan Sloat, General Counsel to the U.S. Information Agency.

On my immediate right is Stanley Silverman, a veteran of more than 25 years at the U.S. Information Agency, who knows more about the Agency than almost anybody around. He is our fiscal officer at the Agency with keen insights into the substantive workings as well as the procedures of the Agency.

On my far right is Dr. Ronald Trowbridge, who is head of the Education and Cultural Affairs Bureau of USIA.

I should like to thank you for the opportunity, Mr. Chairman, and I would particularly like to thank Senator Pell for his favorable remarks about my incumbency. I should like to thank Senator Tsongas, also, and the committee for the opportunity to be here before you to respond to your questions.

The CHAIRMAN. We are having trouble hearing up here. I think people in the back are also having trouble hearing. I'm not sure, perhaps the center mike is the microphone to use.

Mr. WICK. Is this better?

The CHAIRMAN. Much better.

Mr. WICK. Now I can hear myself.

The CHAIRMAN. Now you are coming in loud and clear.

Mr. WICK. I am pleased to be here today to present the authorization request for the U.S. Information Agency for fiscal year 1984, as well as the supplemental request for fiscal year 1983.

This Agency's request in fiscal year 1984 totals $711.4 million, which is an increase of $113.8 million over the 1983 amounts already enacted or pending in supplementals. This is a large increase, but one which we believe is fully justified in the current world climate.

Today, as never before, we are engaged in a fierce competition of ideas. Our adversary is the Soviet Union. Our strengths are the truth and our own ideals. Today, in a world where freedom is under attack, the concept of human liberty and the concept of America are more compelling and attractive than ever. But, we cannot and must not remain passive. The stakes are too high.

This competition is not new. It has been going on since the end of World War II. Our strategy, however, has remained virtually unchanged. For far too long we have been in the position of reacting to the other side. It is time to take the initiative, to make our case boldly

and well. It is time to recognize USIA as an important component of the American foreign affairs community. Indeed, USIA is on the cutting edge of the struggle for man's minds.

The Soviets are well equipped to wage a war of ideas, and have increased their efforts even more. They have also changed the nature of the war. I refer to their campaign of so-called active measures and disinformation directed against the United States.

Just a few weeks ago, on February 17, for example, the Washington Post reported that "The Soviet-supported Communist press in India has recently escalated its longstanding disinformation campaign against the United States." This is an apparent attempt to turn the Third World against us before the start of the nonalined nations summit, to be held in New Delhi in March.

That is only the tip of the iceberg, not only in India but throughout the world. The Soviet Union far outdistances us in resources—not merely in money, but in personnel and level of activity as well.

The Soviets focus on young people, and they not only attend but organize conferences of the world's youth. The Soviets aid local Communist parties around the world. A startling allegation is that the Soviets spend more on jamming our broadcasting the truth to the U.S.S.R. and Eastern Europe than the Voice of America's worldwide budget.

Radio Moscow has 37 state-of-the-art 500-kilowatt, superpower transmitters, while the Voice of America has 6, each made by coupling 2 250 kilowatts into a 500-kilowatt transmitter. Radio Free Europe [RFE] and Radio Liberty [RL] have none. The Soviet Union broadcasts in 82 languages. VOA and Radio Free Europe/Radio Liberty combined broadcast in 48 languages.

Frankly, in many areas we are behind in the competition of ideas. Unless we reinforce our efforts, we will continue to lose ground and our national interest will suffer. The Reagan administration understands this, and with the help of Congress, we can pull ahead and eventually win the struggle for ideas.

As to Project Democracy, about which there have been many questions, on June 8, 1982, President Reagan, in his address to the British Parliament, announced the intention of the United States to make a major effort to foster the infrastructure of democracy which allows a people to choose their own way, to develop their own differences through peaceful means.

The President thus laid the groundwork for a long-term, positive program by the United States to advocate the principles of democracy and to support those people and institutions committed to democratic development. The United States will help build and reinforce the bonds based on shared values between our peoples and other nations.

Project Democracy will be a bipartisan venture, involving both government and private organizations. All Americans have an interest in promoting freedom and democracy throughout the world, and Project Democracy will work with a wide range of organizations and institutions to build linkages with foreign counterparts.

Political parties, unions, businesses, universities, State and local governments, media, service organizations, women's groups, ethnic and religious organizations, working with their counterparts overseas, may

prove to be the most effective means of strengthening democracy and promoting friendship and cooperation with other nations.

Ambassador Helman handed me, just before I started, something that addresses one of the key questions which has been raised regarding Project Democracy, and I state as follows:

For clarity of presentation, we have included in the Democracy Project several programs which were formerly carried in the budgets of other agencies. A case in point is the Asia Foundation, which had been funded through State.

I want you to know that including such programs in the Democracy Project will not affect their management. The Asia Foundation, for example, will still be managed through State.

Nor will it affect the integrity of those programs. They have functioned very well, and we intend to assure that will continue to be the case.

Moreover, we will develop and monitor those programs with an eye to the political health and credibility of the organizations involved. We do not intend trying to fix things which are not broken.

In that connection, I call your attention to what Secretary Shultz told Mr. Fascell's subcommittee last week, that the foreign policy considerations involved in these programs transcend any single agency and therefore, by Presidential directive, they will be the concern of an interagency committee.

Finally, and of central importance, is our conviction that what we are proposing is of broad bi-partisan concern. This is not a slogan, but a reality. If this project is to have meaning, it must have broad bi-partisan support because it is one which we want to see continue from our administration to the next and onward.

What this means, among other things, is that we welcome your ideas as well as your support both in the development of the project and its implementation. We will keep no secrets. We want to move ahead through mutual support and mutual confidence.

Back to my prepared remarks.

At the same time we are seeking to develop new and innovative exchange programs which utilize the resources of the private sector as well as the government. For example, the President's International Youth Exchange initiative, a project already underway, is designed to reach the successor generation of the Versailles economic summit countries.

President Reagan announced this initiative in May of 1982, and it has the enthusiastic support of the heads of state of Canada, France, the Federal Republic of Germany, Italy, Japan, and the United Kingdom. Over the next 3 years youth exchanges will be increased by 15,000.

President Reagan has established from the private sector a Council for International Youth Exchange to encourage the American private sector to join in a partnership to help promote the initiative. The council is made up of top corporate executives and education and foundation leaders from across America. It is a classic free enterprise undertaking between the private sector and the Government.

The council has pledged to raise $10 million to match the U.S. Government's contribution of a like amount over the next 3 years. The council is already well on the way to achieving its goal. It has received donations of over $2 million. The President's International Youth Exchange initiative buttresses the Agency's ongoing exchange programs, filling a long neglected gap in international exchange efforts.

As to radio, it is our most neglected activity. Over the years, VOA has added a language program here, a few staff people there. However, the physical plant required to transmit America's voice to the world

is in deplorable condition, affecting the vitality and quality of its voice.

On July 19 of last year, the President announced that "We intend to move forward consistent with budgetary requirements with a program to modernize our primary means of international communication, our international radio system." At that time, he observed that "The Voice of America, Radio Free Europe and Radio Liberty have been neglected for many years. Their equipment is old and deteriorating, their program resources strained. Little has been done to counter the jamming that has intensified in recent years."

This past year has seen a continued and concerted effort at the Voice of America to enhance its reputation for reliability, objectivity, and balance. We are seeking to communicate the "voices of America" by broadcasting information showing the diversity and plurality of this Nation.

An increased amount of editorial opinion to explain America's policies to people in other countries is being broadcast. VOA has established an office of audience relations to promote overseas awareness of VOA, and to analyze audience reaction to VOA programs. It is our intention to make programs more relevant and interesting to VOA's listenership.

Extensive efforts to carry administration messages through the use of satellite television transmissions directly to foreign audiences without distortion or filtering has been made possible through the communications technological revolution. Presidential speeches and video dialogs with Cabinet officers are being transmitted by satellite. Satellite television is now in the forefront of our public diplomatic efforts in support of American policies.

Additional funds are desperately needed to hire trained engineers. The task of structuring, almost from the ground up, a comprehensive, worldwide radio transmission system is formidable.

Professionals are being recruited to fill the many existing vacancies in our engineering division and to staff the new positions requested in our supplemental proposal. VOA engineering's first task will be to carry out a comprehensive systems analysis of the components of the worldwide VOA communications network: Antennas, technical transmission requirements, power generation systems, the requirements for a worldwide operations center and network control, and an investigation into station characteristics and locations to fill existing coverage gaps.

With the benefit of such a comprehensive study we will be able to make decisions about new VOA construction projects that will be most efficient and more cost effective.

USIA is mandated to tell the truth about the policies and objectives of the United States to the world and at the same time to counter the Soviet Union's growing global campaign of propaganda and distortion. USIA is fulfilling these directives by initiating innovative projects and by strengthening the traditional programs that have continued to prove effective.

During the past year we were able to begin the long-sought agency move to our new USIA building. This consolidation of most of the

Agency will have a beneficial effect on the efficiency of all Agency elements.

Having discussed some of our program highlights, I would now like to briefly discuss the Agency's resource requests.

The Further Continuing Appropriations Act, Public Law 97–377, provides $545.4 million for USIA programs in fiscal year 1983. Within that amount, we plan to shift resources in the radio construction and salaries and expense accounts to cover several new urgent requirements, primarily to conduct engineering analyses to identify and examine the overall technical performance requirements of the Voice of America's worldwide transmitting facilities; to develop a fiscal year 1983 spending plan for private sector exchange programs to meet the intent of the Further Continuing Appropriations Act; and to absorb the costs of consolidating USIA offices in Washington, to continue and expand the President's Youth Exchange Initiative, and to provide for other priority program requirements.

The Agency is also seeking fiscal year 1983 supplemental appropriations of $52.2 million, consisting of $9.5 million for Federal pay raise and benefit costs; $22.7 million to correct deficiencies in Voice of America staff and program operations; and $20 million to launch Project Democracy. The latter requires additional authorization legislation for fiscal year 1983.

The Agency's 1984 request for authorization of appropriations totals $711.4 million, an increase of $113.8 million over the amount provided by the 1983 Further Continuing Appropriations Act for comparable programs and pending supplementals. This increase will enable the Agency to serve the Nation's security interests more effectively and will meet the following major requirements: $50.8 million to cover full-year requirements of the Voice of America improvements and Project Democracy that will be initiated under the proposed 1983 supplementals; $23.1 million to perform advanced engineering and technical development studies to initiate a 5-year plan to modernize and expand the Voice of America's transmitting facilities; $21.4 million to meet projected 1984 inflationary increases and other mandatory changes for all Agency programs and activities; and $18.5 million to enhance other Agency priority programs, principally overseas mission posts, television and satellite programs, VOA broadcasts to the Soviet Union and Eastern Europe, youth exchange programs, wireless file reception, and research studies.

We are proposing a small number of administrative changes. One concerns section 305(c) of the U.S. Information Agency Authorization Act, Fiscal Years 1982 and 1983, which mandated the doubling of certain exchange-of-persons programs by fiscal year 1986.

Competing program priorities render that requirement imprudent in light of overall budget constraints. As the 1985 and 1986 estimates are now projected, program increases in exchanges could come only at the expense of vital VOA and other national security programs of the Agency.

As the President noted when he signed the authorizing legislation, adjustments are deemed necessary. We are proposing language that would remove the doubling requirement but would guarantee that the

fiscal year 1982 exchange-of-persons program level would be maintained or enhanced in the future. As this budget presentation indicates, increases have in fact been made in exchange-of-persons programs in fiscal year 1983 and further sizable increases are proposed for 1984.

Mr. Chairman and members of the committee, free and open societies are in danger. The ideals and values which underlie our national purposes are under attack by a potent Soviet propaganda and disinformation campaign.

USIA, a critical component of this country's national security apparatus, must meet the challenge. The administration recognizes this and the vital need for this Agency's fiscal year 1984 budget request of $711.4 million.

I ask for your continued support and assistance in this effort. I should like to thank the members of this committee for their understanding and cooperation over the past year.

I appreciate the time you have given me today. I would be pleased to respond to any questions you may have.

Thank you.

The CHAIRMAN. Thank you very much. We will adopt a 10-minute question rule.

I would like to first reference your statement and agree with it: "For far too long we have been in a position of reacting to the other side; it is time to take the initiative, to make our case boldly and well." I think the most valuable programs that I have seen in the 10 years I have been on this committee are the exchange programs.

The most recent evidence of the effectiveness of these programs was the Prime Minister of Japan's statement about the deep attachment he had to this country as a result of his daughter living in the United States for a year in Michigan City. It was a very emotional statement and indicated the understanding he had gained of American culture.

Yet, we have a cut of $1,569,000 in the academic and international visitor exchange, and a cut of $485,000 in the Hubert Humphrey Fellowships. totaling almost a $2 million cut at a time when, as I understand it, the Soviets are increasing their emphasis in this area. How do you justify those reductions?

Mr. WICK. Mr. Chairman, the proposed Democracy Initiative would add about $18 million to the exchange and cultural budget, which would bring exchanges up to about $94 million. One of the strengths of Project Democracy is that it provides focus and direction to many of the activities this Agency has used in the past, and does so through encouraging democratic institutions. That is one example of a renewed focus.

The CHAIRMAN. But this actual reduction is in program areas that have proven their value through the years. Is it necessary to reduce that type of scholarship and fellowship exchange?

Mr. WICK. If you would allow me, I would like to have Stanley Silverman respond to that.

Mr. SILVERMAN. Mr. Chairman, the reduction in the regular part of the education and cultural affairs budget really came about because of the lateness in which the continuing resolution occurred in our budget deliberations with OMB.

Our budget for 1984 had been set by OMB, and the Director had even appealed it and gotten some restoration through the budget review board, before the continuing resolution then added $7.25 million to augment the exchange-of-persons program in 1983. Those numbers had not been allowed in the 1984 deliberations and therefore, there appears to be that reduction in that section of the budget. But with the fact that the Project Democracy contains such a large exchange component, which shows in a separate section of the budget, the seeming decrease is not only off-set, but there is an actual increase projected by 1984, when you combine the two sections.

The CHAIRMAN. Project Democracy has been the subject of some press criticism. Let's concentrate on that issue for a moment.

The traditional USIA programing, including educational and cultural exchanges, international visitors programs, promotion of American studies, production of books and periodicals, all are designed to promote U.S. interests and an understanding of the democratic process.

Can you explain, Mr. Wick, how the Democracy Project is different from the current, traditional USIA programing? What is the organizational structure for Democracy Project and who would be in charge of it?

Mr. WICK. I will take the second part of your question first.

USIA would be the lead agency involved in an interdepartmental agency group, which would include State, Defense, the White House, USIA, and AID.

We have some charts here that might be able to illustrate how this works.

There has been some confusion in the press concerning NSDD–77. I will lead you through that just to make it a little bit easier.

The essential thrust and objective of the SPG, the special planning group created by NSDD–77, is to enable the various branches of government that are supposed to articulate foreign policy to be organized so that they reflect the same policy.

The special planning group would provide overall planning and guidance for international public affairs activities by USIA, State, Defense, AID, the NSC, and the White House.

That overall guidance will embrace the public affairs committee, which handles planning and implementation of domestic public affairs activities to explain international policy. That is, essentially, the White House communications.

The international political committee perhaps needs to be explained. The term "political" is used in the sense of the classic definition of communication among nations, among political bodies; it does not refer to political parties in this country, or other countries. Under the chairmanship of the State Department, this committee coordinates our political relationships with other nations, and provides overall policy guidance, insofar as the coordinating of foreign policy sensitivities is concerned, to Project Democracy which would be carried out under USIA's lead. That committee is also involved with long-term planning of international political activity.

In the upper right-hand corner of the chart is the international information committee, which is chaired by my deputy, Gilbert Robinson.

As you see, it is charged with the development of international information strategies and their implementation throughout the USG.

The international broadcasting committee coordinates the work of the BIB—Radio Free Europe/Radio Liberty—and the Voice of America, regarding international broadcasting, planning, new technologies, international agreements.

The chart represents an internal organization, designed to insure that this Government speaks more effectively.

The CHAIRMAN. This chart really throws me. I like clean organizational structures. When I see the number of decisions that are going to have to be made, and I look at that chart, I wonder who is going to be making those decisions.

Is this run by the National Security Council? Is the NSC running it? Who in the White House is dealing with this issue? Who is really in charge? Who can ultimately make the decision to go forward with a program?

Mr. WICK. I do not want to confuse this chart with Project Democracy. That is where a lot of the confusion in the press is, and frankly a lot of confusion in the Government, and a lot of confusion at the State Department and USIA. NSDD–77 was formulated about the same time as Project Democracy. But Project Democracy is something separate which I will get to immediately. Perhaps I should not have brought these charts out, but I thought it might help. [Laughter.]

The CHAIRMAN. I would take that one back. [Laughter.]

I think our assistance, help, and oversight, can be to try to sharpen up the lines of authority. That's one of our problems, we just do not know who to hold accountable sometimes for these programs. But, at the outset, I would not know who to hold responsible for this program. Looking at that chart, I wouldn't even know what committee of the Senate would have oversight responsibility. Where does the buck stop?

Mr. WICK. USIA is the lead agency.

The CHAIRMAN. You are the lead agency, but can you make the decisions?

Mr. WICK. Yes; we will make the decisions. Certainly we do not make those decisions in a vacuum. I don't know of anybody at USIA that has a sufficient expertise to be able to judge the sensitivities and propose a proper response and direction for this Government in a vacuum. We have to relate, and I have to relate, to all the different groups that know a lot more than I do about this and a lot more than my colleagues.

For example, you have been here longer than I have and you know that the State Department is divided into many regions, each of which has its own experts who have spent innumerable years studying the culture, the history, and the background of those particular areas.

We have sought to organize those voices and to insure that they will be heard in policy deliberations.

Senatod DODD. Mr. Chairman, before you do that, you had a question about whether or not this was related to Project Democracy. Is it?

Mr. WICK. It is related to Project Democracy, Senator, in the sense that, under the international political committee——

Senator DODD. I thought I read that there. My eyes are failing me a bit, but I see Project Democracy under there, and you had responded to the chairman's question that this had nothing to do with it. That is why I was concerned.

Mr. WICK. That's a good question. You will have to forgive me. I did not know you were listening that carefully.

Senator DODD. I was reading more than listening.

The CHAIRMAN. Mr. Wick, so we can stay on schedule, we do have a full morning——

Senator DODD. I just did not want him to take down the chart.

The CHAIRMAN. I would like to complete my question by saying that I would be very worried if, for instance this chart applied to VOA. I have personally spent a lot of time making sure that all of those various interest groups in the State Department have nothing to say about what goes on in VOA. In fact, as you know, I requested and demanded to get copies of the cables from our Ambassadors around the world to see how much they were interfering in what to say or what not to say. I have always opposed the propagandizing of VOA I took the VOA charter out of an Executive order and put it into law, so that they would be breaking the law if they tried to tamper with VOA.

I want to maintain the integrity of your services. We ought to hold you responsible for what is said ultimately in that regard and not have a lot of other agencies getting involved.

Senator Pell.

Mr. WICK. You may and do hold me responsible, and I should like to apologize for any ambiguities that have been introduced here. This has nothing to do with VOA. We still assiduously pursue VOA's charter, that you and this committee gave birth to, and would certainly not do anything that is illegal, that would be in contradiction of that charter.

Senator Dodd, Project Democracy would be coordinated as to information gathering sensitivities, and decisions would be directed by that group. As the head of USIA, neither I nor any of my colleagues have all the necessary information as to what goes on in the 165 countries around the world. We seek to be able to implement the various communications, the various exchanges, the various directions that we seek in Project Democracy, to assist in infrastructure of political institutions, unions, media, universities, legal, business, judicial systems, religious and community organizations. So you might think in terms of the committee as being a resource.

Senator DODD. I don't like to step out of line. Senator Percy had made that point.

Mr. WICK. It is an excellent point. I am glad you did. I hope it clarifies this.

Senator DODD. I am not sure any longer if this is a good idea or a bad idea. I can't follow it, quite frankly. By comparison this makes Rube Goldberg look like a computer chip.

The CHAIRMAN. Senator Pell.

Senator PELL. Thank you, Mr. Chairman.

Mr. WICK. Take that chart down, will you? Tear it up. [Laughter.]

The CHAIRMAN. We have a shredder here, if you would like to use it. [Laughter.]

Senator PELL. As you know, present law reads:

> The amount obligated by the United States Information Agency each fiscal year for grants for exchange-of-persons activities shall be increased, through regular annual increases, so that by the fiscal year 1986, the amount obligated for such grants is at least doubled—in terms of constant dollars—the amount obligated for such grants for the fiscal year 1982.

That is the law as it exists today and, I think, it is a very good provision. As one travels around the world, one realizes the importance of these exchange programs, and appreciates why they should be increased, as opposed to being level funded, or even worse, decreased.

To meet the requirements of existing law would require $136 million in funding for exchange programs in fiscal 1984. How much is there in your budget for exchanges in fiscal 1984?

Mr. WICK. In fiscal 1984, our budget was $94.858 million.

Senator PELL. Obviously that would be a substantial drop from the law's present requirements.

Mr. WICK. Pardon me, sir?

Senator PELL. That would be a substantial drop from the law's present requirement, right?

Mr. WICK. Yes, it would.

Senator PELL. I realize that you will be submitting—we have not yet received the text—legislation to repeal this provision of the law. With the repeal of the law, you would then reduce the amount for exchange. Would that not be correct?

Mr. WICK. Our chief problem, and I'll let Stanley Silverman respond more cogently—our problem is putting 2 quarts of milk into a 1-quart bottle, and we only have a 1-quart bottle. I salute the nobility of your purpose which has resulted in increased exchanges, which I personally heartily endorse. However, we are part of an administration team that faces enormous budgetary constraints with a wide range of national interests.

But, being more specific, here is Stanley Silverman.

Mr. SILVERMAN. Senator Pell, the budget before you does show increases in 1983 over 1982 and 1984 over 1983, when you factor in the Project Democracy exchange activities. It is true that it doesn't do it in a pace that would get you to a doubling by 1986. The figure in 1982, the base year, is $70.229 million. It goes to $86.228 million in 1983, and those selected exchanges go to $94.858 million in 1984. So there are increases.

The proposal that I believe was delivered this morning, is very simple, it doesn't outright repeal the Pell amendment. It reads as follows:

> The amount obligated by the United States Information Agency, in each fiscal year, after fiscal year 1982, for grants for exchange-of-persons activities, shall equal or exceed, in terms of constant dollars, the amount obligated for such grants for fiscal year 1982.

Thus, unlike any other activity of the Agency, the exchange program would have a floor. We could not reduce it, as was threatened in earlier budget stringencies. We have before you also a 1985 estimate, which really reflects only level funding for all Agency activities, but

with inflation provided. Fiscal year 1986 is also similarly factored into the President's budget and will only continue existing Agency activities. Therefore, given the fact that the USIA budget and the overall Federal budget picture does not permit, in the administration's view, the doubling of the program, we are suggesting an alternative guarantee for the program that doesn't quite call for such a budget strain.

Senator PELL. I know from having talked to Mr. Wick that he believes the exchange program should be increased. I think you will agree with me that President Reagan believes they should be increased. Every ambassador that you ask around the world believes they should be increased. And answering your point on the 1-quart bottle for 2 quarts of milk, there is a gallon jug over here that can be used which is called Project Democracy. And what I am driving at is the money is there and is available. It may have to come out of Project Democracy, but what more important item in Project Democracy is there than the exchange programs?

Mr. WICK. I am in great sympathy with your goals, Senator. As head of this Agency, of course, I have to consider the wide range of our program needs. But let me just give you a list of what Project Democracy contemplates.

Of the existing programs, there would be the further enhancement of many activities, and I will be happy to present a list for the record, I would like to run through this rapidly if I may.

Legislator training, public leaders projects, successor generation, transoceanic leadership project, citizens action program enhanced cooperation with the Atlantic organizations of Europe, expanded international visitors program with Eastern Europe, workshops in Europe on democratic process, Inter-American Community Leaders Exchange, Asia Foundation, funding for the National Committee on United States-China Relations, group projects for African legislators, jurists, and legal officials, assistance to centers for the study of the United States abroad, democracy and the free market economy, support for Latin American binational centers, expansion of Latin American scholarship program of American universities, African-American issues centers, African-United States scholar exchanges and university linkages, English-teaching initiative in Africa, Middle East fellowship program, foreign journalist tours, worldwide book publishing proposal, language versions of problems of communism, support for the free press in Latin America, Central America media program, support for the free press in Africa, trade union educational exchanges, worldwide initiative to support free labor movements, assistance to democratic trade unions and national labor centers in priority regions and countries as part of a worldwide initiative to support free labor movements.

Assistance to international labor bodies which support democratic trade unions and new approaches, and the following: Study of democratic principles and practice for military leaders in developing nations, democracy and free elections, regional institutes, conferences in publishing, support of religious freedom, strengthening of judicial institutions and procedures, leadership training for Latin American student leaders, Central American regional seminars, group travel in the United States and special studies on democratic development, sup-

port for the establishment of an Institute for Democracy for Central America and the Andes, assistance for Liberia's transition to democracy, establishment of academic programs on democracy, study of the democratic heritage of traditional non-Western cultures, Center for Free Enterprise, European Institute To Survey Status of Democracy in the World, New Center for the Study of the U.S.S.R. and Eastern Europe, Middle East Peace and Development conferences, democracy symposia at the American University of Beirut and the American University of Cairo, a new magazine, Communications Impact, support for sending observers to trials of leading proponents of democracy, cooperation with independent Third World and media organizations for our policy and defense information program, which is part of our worldwide initiative to support free labor movements, and management and program direction.

These programs are designed to carry out the initiative proposed in the June 8 speech of President Reagan to the British Parliament. Over the years, this country has given extensive military assistance to other nations as well as economic aid. The purpose, going back to the Marshall plan, has been to foster the infrastructure of democracies.

Senator PELL. Could we just focus on the specific question that I asked? My time is limited, and your time——

Mr. WICK. I apologize. What was your question?

Senator PELL. How much funding is there in the Democracy Project for the tried and proven exchange programs? Just one word in dollars.

Mr. SILVERMAN. $10.5 million in the activities that you designate in section 305. There's $18.5 million if you add in American studies and student support and other cultural activities.

Senator PELL. Will the exchange programs funded under the Democracy Project follow the same guidelines as those under the authority of the present Educational Cultural Exchange Bureau?

Mr. WICK. Certainly. Those that are extensions and enhancements of those particular categories very definitely will. That is the objective. They worked well for us in the past, and because of that we have tried to pinpoint those that have worked well and would have a relevance to the contemporary issues facing us today.

By the way, I would like to apologize, if needed, for that lengthy response, but I thought you asked me what else is in the Project Democracy program that might be important, and I think you said more important. I kind of dodged that aspect of it.

Senator PELL. It is quite a grab bag you have there, too. But how do you assess the effectiveness of the traditional programs like the Fulbright and international visitor programs compared with these new ideas?

Mr. WICK. I would say that the Fulbright programs have been most effective, but I would also urge that the terminology "new ideas" is really not appropriate.

What we are seeking to do is direct ourselves and respond to the exigencies that face the free world today. We are seeking the best advice of the State Department, USIA, and other branches of Government including this committee which is sensitized to the dynamics of that which faces us.

We will direct our efforts to strengthening of labor unions, bringing leaders over here, as in the past, from political parties, universities and other institutions, to permit them to examine and understand how a free society operates where the governed are governed with their consent.

So what we are doing is trying to strengthen and give greater velocity to those programs in the national interest.

Senator PELL. Thank you. My time has expired.

The CHAIRMAN. Thank you, Senator Pell. Senator Mathias?

Senator MATHIAS. Thank you, Mr. Chairman. Mr. Wick, I am delighted to hear that there is an exchange component to the Project Democracy. However we account for it, I am delighted to see any support that is given to the exchange principle.

It seems to me it is so important because it is nothing contrived. You do not have to hire a writer or contract with a printer. With an exchange student who comes to the United States, you let them live the life of this country.

I remember some years ago there were two students from Eastern Europe who came to the Johns Hopkins University, and while they were in Baltimore, a member of the university faculty asked me if I would have them come to Washington for a day. And what I did was simply to ask them over and give them a pass to the Senate Gallery and the House Gallery and turn them loose.

They came back at the end of the day and sat down with me and they said, you know, back in our country we had heard that you claim to have an open society in America, but we did not believe it. We thought that was propaganda—and that is what you have to avoid—but we came here today and we were allowed to walk through the Capitol of the United States. We walked through the Senate Office Building; we walked in on committee meetings like this one; we heard governmental decisions being made, and we know that you have an open society.

Those two students have gone back to their country and I am sure that is the impression they took with them because they saw it. Not anything that was hoked up. It was life as it is lived in the United States. And it seems to me that is the kind of message that is beyond price. To let them see life as it is lived in America.

And so, I hope that even greater emphasis can be placed on the exchange principles. And I am proud to say that in the presence of the man whose name is synonymous with exchanges, student exchanges, Senator Fulbright. His initiative in this respect has been of tremendous value to the United States of America and I think to the world; not just to the United States, and we all owe Senator Fulbright a great debt for the early vision that he had and his initiative in making that vision a reality.

I am concerned, however, with one aspect of the chart we have discarded, and you are accompanied by very competent counsel. Maybe I ought to put this to Mr. Sloat. But NSDD–77 refers to coordination of public affairs, and that appears to be domestic public affairs. If USIA is the lead agency, wouldn't it violate its charter to participate in any respect in public affairs in a domestic sense

because you are prohibited from propagandizing the American people?

Mr. WICK. Well, sir, domestic public affairs is a different box. But if you don't mind looking at the chart again, I think that is public affairs as to international policy only.

Senator MATHIAS. Well, planning and implementation of domestic public affairs activities to explain international policy is what it says.

Mr. WICK. Yes. USIA, to that extent, would be a resource as to what we know about what is happening overseas. For example, I or my deputy meet every morning with Secretary Shultz and the Assistant Secretary so we know the nuances, the dynamics of our policy which we are supposed to articulate. We also codify every morning, 5 days a week, that which is being expressed in the foreign media around the world reflecting attitudes toward the USA, and that sort of thing.

So to the extent that we participate, it is as a resource to explain what is happening around the world. Here is my counsel whom I have just represented.

Mr. SLOAT. I would like to add one comment. Project Democracy, you will notice, is in the bottom left corner of the four boxes there. The one you are referring to, the Public Affairs Committee, would be domestic. That is chaired, I believe, by the State Department and is not involved with Project Democracy.

Senator MATHIAS. So this does not represent any relaxation of the prohibition against——

Mr. SLOAT. Not at all, no, sir.

Senator MATHIAS [continuing]. Propagandizing of the American people.

Mr. WICK. No. If I may respond to your earlier point, I agree with you totally about exchanges. We are in a contest of ideas with the totalitarian governments. And as you have observed the remarks of those young people who came through these halls without any constraints whatsoever, the Soviet Union, we understand, spends billions of dollars in trying to propagandize and subvert others. They do it pretty much covertly. They found Communist Parties everywhere, and we know through some types of extrapolations, what they do.

The concept of Project Democracy is precisely what you commented about. This is totally open and above-board where people can examine our societies.

Now, let me also hasten to add that the preponderance of the funding that would be distributed by Project Democracy will not be spent by USIA per se, which could not possibly have the expertise to cover this type of ambitious goal that is needed in our national interest at this point in time.

What we propose to do is provide funds to established private agencies, like the Asia Foundation and other groups that have a high degree of capacity—Partners of the Americas, Youth for Understanding, AFS International.

So essentially what we will be doing is using private sector organizations who historically have the motivation, the expertise to further America's interests in an open way. And that will include an increase in the number of exchanges.

English teaching is part of some of the funding that will be utilized here. Fellowships and scholarships will tend to increase the language capacity of those we would seek to bring over here, so that the American experience will have a greater impact once they are here.

In addition to the actual exchanges of individuals, there will be an additional fostering of the infrastructure of democracy, because we will be bringing over leaders—labor union leaders, university professors, people from the media—to see how this free and open society works.

Senator MATHIAS. Well, now, turning to item 20, assistance to centers for the study of the United States abroad, would that include something like the international—the Johns Hopkins Center for International Studies in Bologna, just for example?

Mr. WICK. This is Dr. Scott Thompson, formerly of Tufts University and the Fletcher School, who is one of our key people.

Mr. THOMPSON. As the Director said, Senator, we have not, in fact, precluded any organizations from competing for grants that are appropriate. And this is only suggested, but we have, in fact, suggested that the SAIS Center at Bologna would be an ideal place. In fact, Gen. Robert Gard, the director of this center, has spent many hours with us discussing it and has submitted a proposal.

Senator MATHIAS. That is good news, and I am delighted to hear that. I do not want to raise any problems on that; I want you to contribute all you can to that center because I think it has done extremely useful work over the years.

But how are we going to coordinate that support with that which comes in through the AID program? There is about a $20 million item on the AID program for support of schools and hospitals abroad, and I am all for it. Do not misunderstand me. I just want to know how we are going to coordinate these two programs.

Mr. WICK. The part of the AID program which funds hospitals is separate and not part of the Project Democracy focus. The schools part of the AID budget——

Senator MATHIAS. It could be supplemental?

Mr. WICK. Absolutely.

Senator MATHIAS. I do not want them to end up falling between the cracks.

Mr. WICK. As you know, we have no control over that, and I am sure that whatever Congress wishes——

Senator MATHIAS. My time is up, but I just want to raise one final—Project 40, free press in Latin America. I understand that you would operate there through the Inter-American Press Association.

Mr. WICK. Yes. If I may just touch upon the AID, sir. The Rube Goldberg map you saw, one of the reasons for AID being in there is to coordinate and be sure that nothing falls between the cracks.

Mr. THOMPSON. We have not designated an organization through which to work, and I think that is very important. That this has to be thought out in the most careful terms with advice that takes into account the diplomatic situation and everything else. There are many organizations in Latin America that, frankly, would be stigmatized by grants from the U.S. Government, and we have to be sensitive to those considerations, too.

Senator MATHIAS. But you would work through the Inter-American Press Association?

Mr. WICK. I think we would. I addressed them about 2 months ago at a meeting in Chicago, and they were very eager to hear about what we are doing and expressed what their problems are, and we have had consultation with them.

I might add that we have 326,000 students in this country. The Freedom House has listed 165 countries, and 54 are free, some are partly free, and the rest are not free. We have students from practically all of those countries.

In some Asian countries, even those that are characterized as not totally free or otherwise, we have held seminars which have not been objected to by the governments. And this has been an ongoing process.

Currently, the United States is granting aid to 95 countries in the world in various categories, many of which are represented by those countries that may have systems that are totally alien to ours. But we do have those relationships. Project Democracy does not seek to subvert any particular country's autonomy or any particular political party. It is designed to help people understand the bulwarks of democratic processes, and we think this is in our national interest.

Senator MATHIAS. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Mathias. Senator Tsongas?

Senator TSONGAS. Mr. Wick, let me say at the outset that I admire your enthusiasm and respect it, and it is a pleasure to have contact with it. I would also support the investment that you propose in the physical plant and equipment, just to bring us into a modern age. I think irrespective of what arguments we might have on content, clearly the mechanics have to be in place and I just want to suggest my support.

Also, the International Youth Exchange initiative, which I have had some occasion to be exposed to, I think also is a good idea. I think you have sensed that a lot of us get very nervous about propaganda, that we feel very comfortable with our society and that if people simply have exposure to it as it is, that, in fact, is the best kind of international information flow.

Your Agency has, as its major currency, credibility. Let me just run through a few tests of that credibility, and we might engage in that. I would like to do so.

Recently, the administration which you are part of made the decision on the Canadian films on acid rain and nuclear war. That, as you know, has inflamed the Canadians and has expanded the viewership of those films probably a thousandfold. Do you think that was a credible decision, and do you agree with it?

Mr. WICK. I do not think it was a credible decision, Senator. However, I do not think this administration, speaking clinically, can be charged with it. I think those career lawyers at the Justice Department were upholding the law, the law that was passed in 1938 under Franklin Roosevelt and renewed in 1947 by Harry Truman. And therefore, I think if that law is deemed onerous—in my own personal belief it has implications that I do not agree with, but it is the law—then you and the other Members of Congress ought to repeal that law.

Senator TSONGAS. Do you think that the administration should propose changes in the law?

Mr. WICK. Are you speaking to me personally or as the Director of USIA? As the Director of USIA I have no comment on anything domestic. Personally, yes, I think so. I like to read what I like to read.

Senator TSONGAS. May your views multiply in the administration.

Mr. WICK. In Washington they seem to.

Senator TSONGAS. The CIA, were they involved in Project Democracy? Are they still involved? Will they be involved?

Mr. WICK. No, they will never be involved. And as the Director of USIA and speaking for my colleagues in the Government, we recognize that the CIA in the real world has a very important job to do.

We also recognize that there is an inherent taint on anything connected with the CIA that extends to any sort of contact with covert agencies and/or operations. So we think that it is something that must be religiously avoided, as contact would be totally counterproductive.

Senator TSONGAS. So there has not been any consultation with the CIA on Project Democracy?

Mr. WICK. I think William Casey certainly is aware of what goes on in the broad ties of what we are talking about, but certainly, no consultation as to how should this be structured, absolutely not.

In other words, without reservation, I can tell you that there is no CIA participation contemplated or presently included that would be involved with Project Democracy.

Senator TSONGAS. I am a little unclear about your reference to Casey. You went out of your way to mention that.

Mr. WICK. Well, you asked if there has been any consultation. I do not know quite what your definition of "consultation" is. So I am trying to give it the widest possible definition as to anybody who is present in various discussions concerning administration policy.

Senator TSONGAS. OK. So Mr. Casey was involved in early discussions on Project Democracy?

Mr. WICK. He has been involved with a broad number of administration people discussing the overall threats that the United States faces. And to the extent that the CIA has a particular role to play, that particular role was not part of these particular discussions. I do not want you at some later time to find that Bill Casey was involved with 20 other people when we were discussing administration policy and then attach some sort of response or coloration to my response.

By the same token, I represent to you that there just is no CIA participation nor was it ever considered nor will it be considered.

Senator TSONGAS. I can see how the Soviets are going to make handsome use of the fact that Casey was involved in a discussion even though your interpretation I would be comfortable with. I could see how they would take advantage of that.

Mr. WICK. Senator, they do not need my straight line to do that. They do it all the time. They are after me every week. They said I have made millions of dollars in brothels and things like that, and I haven't been near one in many years. [Laughter.]

Senator TSONGAS. How many years? [Laughter.]

Mr. WICK. Ever since my research paper in junior high school.

Senator TSONGAS. A good argument for continuing education.

The IAPA proposal that I have in front of me, and I will just quote from it:

In order to preserve its credibility, IAPA supports itself entirely through members' contributions and foundation grants. It does not accept money from governments. This proposal would grant $50,000 to IAPA through an appropriate nongovernmental organization.

Can you tell me why you put covert activities down on paper so that people can leak it on nonsecret documents?

Mr. WICK. Would you mind repeating the "covert" aspects, sir?

Senator TSONGAS. If you are going to give them $50,000, and you say that they do not accept money from government and we are going to do it through an appropriate nongovernmental organization which is covert——

Mr. WICK. I think it is a good point, but there is nothing "covert" about it. The fact is that it has received a grant from a private-sector group which, in turn, has received money from the Government. As I understand it, we operate with a number of institutions like that where their autonomy is not inferred in any way to be compromised by virtue of getting a Government grant.

Senator TSONGAS. You give $50,000 to someone who then gives it to IAPA?

Mr. WICK. We do that with any number of groups, Partners of the Americas, Youth for Understanding, ASF International, a whole host of groups. That is not for the effect of laundering money, but it is because they have a greater expertise in that particular field and they are in that kind of a business.

Senator TSONGAS. Those organizations you referred to are obviously American.

Mr. WICK. Which organizations?

Senator TSONGAS. The three you referred to.

Mr. WICK. Yes.

Senator TSONGAS. This is not, as I understand it, this would appear to be a rather indelicate attempt at laundering $50,000 to a group and then give to IAPA. Why not give it to them directly?

Mr. WICK. Well, let me suggest this. This whole exercise was done as an illustrative measure to show the breadth and pluralism involved in the proposal. There is no intention whatsoever to conduct covert activities. And I would only attribute stupidity to any type of exercise in that direction, and, telling people about it is even more stupid. So I guess maybe we can plead guilty to double stupidity. It is not that intent.

Senator TSONGAS. I would hope that you would take a look at that particular proposal because I think it is a mine field.

Mr. WICK. I thank you. And we are going to take a look at all of these proposals, and we would like the cooperation of you and many of your very able staff that we have been involved with, and Dr. Scott Thompson makes this one of his primary areas of lack of expertise.

Mr. THOMPSON. Could I just say, Senator, that there have been a series of iterations of these proposals, and you are referring to one that was an internal Government planning document and has no current standing whatsoever.

Senator TSONGAS. Can you arrange that those that get leaked in the future would have standing? [Laughter]

Ernest Lefever, as you know, was sitting where you sit and got to be pretty famous around the country. You have given him $192,000 for his project.

And I would ask that the Washington Post article of last Sunday be printed in the record.

The CHAIRMAN. Without objection, that will be entered.

[The article referred to follows:]

[From the Washington Post, Feb. 27, 1983]

DO WE REALLY NEED TO SELL DEMOCRACY?

(By Christopher Hitchens)

On Wednesday, George Shultz told critics of his new "Project Democracy" not to be afraid of "holding up that torch." On Thursday, we learned that the secretary of state's colleagues in the Justice Department have decided to protect us from Canadian anti-nuke films they considered "propaganda." Is the Reagan administration as confident about "democracy" as it claims?

As a matter of fact, even before "Project Democracy" begins, the United States Information Agency has been giving money to some people who have trouble with the word.

In Fiscal Year 1982–1983, the USIA gave:

$192,145 to Ernest Lefever's Ethics and Public Center, in order to promote the views of pro-administration journalists and academics on the European nuclear front.

When Lefever was trying (unsuccessfully) to persuade the Senate to confirm him as assistant secretary for human rights in June 1981, he insisted that "no, no, our center has never received a penny from the Federal Government." Of the $192,145 USIA granted to his center in 1982, Lefever has reserved $41,530 for overhead and salaries for his staff. The rest will go for seminars involving rightwing Americans and conservative Europeans. Speakers are to be paid $1,000. according to the grant agreement. Lefever proposes a list of speakers all of whom come from the righthand end of the spectrum.

The "grant agreement" says that the European "peace movement" is "inflamed by the media and has had the direct and indirect support of the Soviet-controlled World Peace Council." It proposes that the USIA grant pay for meetings with a range of Europeans, starting from the extreme right and moving rightwards.

Lefever's describes his financing plan with modesty:

"Our detailed budget is realistic, but does *not* take into account the inflation that may occur before September 1983. The one place it could cut or reduce is item 7, the simultaneous interpreter services, if these services could be provided gratis by the U.S. Government."

In other words, the only way to make a saving on a U.S.-subsidized project is to take money out of another U.S.-subsidized column.

$162,810 to the Mid-America Committee to bring 14 official press spokesmen from right-wing Latin American regimes to Washington.

The Mid-American Committee (a rather obscure businessman's lobby dealing with the southern hemisphere) wants to teach these spokesmen how to manipulate the American media—a cause the USIA seems to endorse.

Your tax dollars have already provided hospitality for Carlos Infante, Gen. Pinochet's international press director; Guy Mayer, the Haitian director of Information; Pablo Nuila, the chief of Army Information in Guatemala, and 11 others.

The American hosts were selected with equal impartiality, ranging from John McLaughlin of the National Review to M. Stanton Evans and Patrick Buchanan. Thus was vindicated the promise of the $169,810 "grant agreement" which mentions the diversity of the American press and stresses that:

"The understanding of these differences is essential if the attendees are to learn to handle the media to best advantage. i.e., not defensively but assertively."

$59,155 to the Center for Education and Research in Free Enterprise, for the purpose of running seminars on "free enterprise and strategic management" for 25 young Guatemalans concerned about "the socialist threat."

$50,305 to the National Strategy Information Center in order to send American "social democrats" to meetings of the Socialist International. The committee of social democrats includes retired Adm. Elmo Zumwalt, former Treasury Secretary William Simon as well as Midge Decter of Commentary and philosopher Sidney Hook.

$428,927 to the Claremont Institute for the Study of Statesmanship and Political Philosophy. The institute describes its program for bringing conservative young Europeans to the United States thus:

"They will be steeped in the American political and cultural tradition. They will read speeches and essays by: James Madison, Alexander Hamilton, John Adams, Abraham Lincoln, Alfred Mahan, Theodore Roosevelt and Calvin Coolidge. . . . Not only will the participants have the opportunity of studying in America, but they will study America. And I believe that once they are led to discover its pith and grandeur, they will be deeply affected."

All this is taking place under the nominal rubric of the Fulbright-Hayes Act of 1961. Some of the lucky recipients seem to realize this. The "grant agreement" between USIA and the National Strategy Information Center, for example, states that the responsibilities of the NSIC and its "social democratic" envoys include:

"Stating in any announcement or publicity, where it is not inappropriate, that these activities are assisted financially by the Directorate for Educational and Cultural Affairs of the United States Information Agency under the authority of the Fulbright-Hays Act of 1961.

One wonders where it would be inappropriate.

The Fulbright-Hays Act forbids overtly political use of the exchange and cultural programs of USIA. In 1978 Congress also instructed that the director of USIA "shall insure that the scholarly integrity and nonpolitical nature of educational and cultural exchanges . . . are maintained."

All this ought to be of concern to Allen Weinstein, the Georgetown University professor who has been asked to make a proposal on how the democracy project's budget might best be spent. The Agency for International Development hasn't been as generous with Weinstein as the USIA was with some of those above; he got $300,000 for his six-month project.

Weinstein is thought to favor a system resembling the West German *stifftung* [foundation] model. In Germany political parties of all shades receive a state subsidy to promote democratic education. The irony here is that the German system originated in the sincere belief that it was Germans who needed to be taught democracy. No such modesty or self-knowledge can be traced in the pattern of USIA funding.

Senator TSONGAS. The headline is, "Do We Really Need To Sell Democracy?" One person said to me that he would have no objection to Project Democracy if it was only labeled correctly. And I asked him what that meant. He said, if it was labeled "Project Right-Wing Democracy." He made reference to the Lefever grant, the Mid-America grant, where the money seems to be funneled toward people whose inclination ideologically are on the right end of the spectrum.

Are you concerned about balance in what Project Democracy is going to be involved with?

Mr. WICK. Yes, I am very concerned about balance. Let me hasten to add that we do not think the Washington Post article of last Sunday and Jack Anderson's of Monday are correct in some of the implications.

But having been aware of those, Monday morning I called the head of GAO and asked if they could investigate those specific grants immediately. GAO is currently conducting a review of these programs at the request of this committee.

So, having said that, I want to assure you that the intention of this administration represented by me is one of total openness and we will fight on the battlefield of principle and certainly not use any illegal holds or unethical holds.

I approved the Ernest Lefever grant, after a couple of my political friends recommended that we turn it down. I asked them why we should turn it down, and they said it was just too hot. I then asked for our regular deliberative review team that analyzes all grants. And, by the

way, the ones that you have mentioned represent a tiny fraction of the overall number of grants made to many groups that have been funded by this Agency for many, many years.

I was satisfied, based upon the representation of the documentation to me, that this was a worthwhile grant that furthered our national purpose involving the problems with European attitudes toward America. And I felt that this would be reverse McCarthyism if we denied this grant because his name was Ernest Lefever.

Insofar as any right-wing slants involved in our grants, I think we have a procedure set up to mitigate against that. When I first came aboard, I am sure you are aware that there is a lot of press comment as to how we were going to politicize the Voice of America in other areas in the academic community.

I had the honor of having lunch with Senator Fulbright early in my regime, and he wanted some reassurance on how I felt about those exchanges. And so I asked Dr. Derek Bok of Harvard if he would organize a blue-ribbon group and do an ongoing critique and make recommendations as to how the Fulbright program and our other academic programs have been undertaken and implemented. That is in place.

And I am doing the same thing with the private-sector group, in view of some of these controversies that have arisen. I hope that an investigation of those specific grants will evolve into nothing more than possibly a dispute of judgment or possibly bad judgment. But from what little I know, I certainly do not believe at this point that there is anything illegal in that.

Senator TSONGAS. I never suggested that to be the case.

Mr. WICK. I am not suggesting that you did. But when that kind of thing is challenged, then I think it is incumbent upon me to make as fast a disclosure as possible, which I tried to do by calling the head of GAO.

Senator TSONGAS. You may be a newcomer to this town, but you do all right, I must say.

Mr. WICK. Thank you very much.

The CHAIRMAN. Thank you, Senator Tsongas, very much.

Senator Kassebaum.

Senator KASSEBAUM. Mr. Wick, I am sure you are aware by now from both being in the House and over here that there are some troubling questions, largely because the scope of your requests has certainly expanded. It seems to me that what is troubling is that there are a number of projects and ideas here—good, bad, indifferent, and even some potentially dangerous. It is our job to sort through them and understand exactly what is here and what is contemplated.

I guess I would wonder myself how much analysis—I am sure you have given a great deal of thought—has been given to what works and what does not work. I say this because maybe it is the names that we are applying to a lot of these things which troubles some of us. It is like selling soap, and I wonder if we are cheapening some of what we try to do by the commercialization of it all.

I would just like to go through a couple of the things here, some which are really expansions on what has been in existence. There is $1.5 million of funding for transoceanic leadership project, which is just, I think as I would interpret it, expanded moneys for the visitor program. Is that really what it is?

Mr. WICK. As you know, the transoceanic area is one of the critical areas of the world.

Senator KASSEBAUM. I am not saying that. I just wonder if an analysis has been given of that money and if indeed you feel that it is being well spent. Is this a leadership exchange or is this a part of the leadership training?

Mr. WICK. We have given a great deal of thought through a spectrum of people of expertise in these areas, State Department, AID, and USIA. I personally do not feel that some of these grants should be funded in the amounts that I have seen. But as I hope can be kept in focus, these are for illustrative purposes and are susbtantially correct insofar as how the problems should be addressed.

Senator KASSEBAUM. What do you mean by "illustrative purposes"?

Mr. WICK. Well, the kinds of transoceanic project, for example, various types of other projects, the litany that I recited as to what projects would be funded, is to some extent to illustrate or flesh out what we propose to do.

Those particular grants in those particular categories are subject to refinement through the help of the Congress and experts in the executive branch. Literally dozens and dozens of people of varying expertise who are charged with implementing this Nation's pursuits in foreign policy evolved what you see here. There were many groups in consultation.

In addition, we have the ongoing monitorship of the Washington Post and the New York Times, and congressional committees and others to the extent that we drift. Any governmental agency drifts—and I endorse and applaud the monitorship.

So once Congress recognizes the need, recognizes the threat in this dynamic contest of ideas, and agrees to the funding at an appropriate level, there will be continuing monitorship of the program's implementation. There are many remedies to put it back on course, including nonrefunding.

Scott Thompson could be a little bit clearer.

Senator KASSEBAUM. There was another one. $500,000 for well programed U.S. visits for delegations of elected or appointed foreign local and state provisional government officials from key countries. Again, I suppose, just a visitor program and an expansion on it?

There is $1 million a year to teach English as a second language in Africa. I would assume that you do not necessarily mean to imply that one needs to have English to be considered a democracy?

Mr. WICK. No, not at all, Senator. But the record of past experiences attests that the benefits of these programs—to this country and to the foreign participants—is much greater among those who speak the language.

Senator KASSEBAUM. Obviously, I feel the same way when I go abroad, if I could speak another language other than English.

Mr. WICK. By bringing people over here for the specific purpose of learning how our infrastructures of democracy are operated, to assist them in possibly being able to adopt some variant of that, we do not seek to impose American democracy upon anybody, but the principles have to be the same. And that is that the governed are governed with their consent. English language teaching is very helpful to us in furthering this understanding.

Senator KASSEBAUM. Of course, English is taught in Africa to a large extent. And particularly, when we are having our own troubles educationally in this country, I find it really somewhat troubling that we are spending $1 million that is allocated in Africa to teach English as a second language.

I guess what troubles me even more is, having visited in Africa, seeing the crying need for health care, for basic education, for the encouragement of our young professionals who could go and act as teachers and doctors and nurses, veterinarians, working within a framework of programs that we already have in existence, such as Peace Corps or AID, I am troubled by what I think to me is a perspective that is a commercialization of democracy. We are going and serving abroad and we do not have to advertise it as such. It is just being there and doing.

I think personally, this is something that we miss and do not give the time to analyze the benefits reaped for that. It is too easy to put a lot of money into something that maybe we believe can be packaged as something that we can sell as such. It is harder to look at the benefits in the other direction, and yet to me it is so obvious what can come from that, that I would wish you would take a look at other ways that we could direct this $1 million rather than use it to teach English as a second language.

Mr. WICK. Let me say that I agree with you. However, I think there is a big need for this, and let me illustrate, hopefully within the purview of your goal. I was in Africa a couple of months ago, and I had mixed feelings. I had a feeling of elation as a private American citizen as well as public official, because the supposed degree of influence of the Soviet Union is far less than is generally believed.

I found that most African countries and their people admire America, and they yearn for the kind of free institutions that we have. In meeting with government leaders and with the information and educational leaders, I immediately became aware of what you have just talked about. the great need for teachers.

Here in the United States we have a lot of teachers out of work. We are organizing a teacher corps that will enable American teachers to go to Africa. We have determined that many of those countries, even with exchange imbalances, can pay the going teacher rate of somewhere around $10,000 or $12,000 a year, which would permit these teachers and their families to be at least able to pay their room and board, and we would arrange either through AID or private foundations to top up that amount of money so that they could have a congenial life. And that is one thing we are doing directly in that way.

We are also getting American corporations to lend teaching machines, VTR's, so knowledge can be transmitted to people in the rural areas.

But there are many things that have to be done. There is not just one thing only. We are convinced that if these people have the opportunity to learn about democratic processes, they will be able with that sort of experience to help their people. It is something that we will just have to decide, and your input is certainly welcome.

But that is the principle involved. The English teaching program is a tool that will, hopefully, in some small way diminish the need for

20-612 0 - 83 - 3

the hundreds of billions of dollars spent on armaments, as a way of offsetting the encroachments upon our democray and freedom.

Senator KASSEBAUM. Thank you. My time is up.

The CHAIRMAN. Thank you very much, Senator Kassebaum.

Senator Dodd.

Senator DODD. Thank you.

I welcome you, Mr. Wick, to the committee. I am reluctant to express some concerns about Project Democracy because the idea generally is something that I think all of us would like to support; but let me express to you at the outset a point that Senator Kassebaum began with and I agree with, and I think there might be a better way of going about this.

I presume this is something that you would like to see continue in the years to come, that would not be a one-time appropriation but rather something that would survive on into the next administration and so forth over a period of years. I am new to this process, but it seems to me that there is an orderly way to proceed when talking about something like Project Democracy, and that is to have some legislative guidelines.

The proposal you have made here is a rather ambitious one. It includes a list of potential projects or planned projects that runs rather long. It doesn't take much imagination to assume that someone may decide from time to time to utilize a rather substantial sum of money to serve some rather narrow political purposes.

If we are going to do this intelligently, it might be worthwhile to submit to the Congress authorizing legislation on Project Democracy that would establish some very clear guidelines. You have heard some views expressed today as far as some of these programs go, what they will do, how they will work, what the purpose of them will be.

What I fear is that this whole program could actually be counterproductive in terms of what we would all like to see, and that is the promotion of the basic democratic principles around the globe.

And yet, when we see these amorphous titles that could include what are really propaganda efforts, that would be contrary to our own interest, and I think we run a risk with them. So I would tell you at the very outset that I have strong objections, insofar as we should first create a legislative framework for whatever we want to do with this program and then start talking about some money for it and see how it would work.

Again, I am relatively new to this. Maybe I am speaking out of turn a bit. But it seems to me that is a more thoughtful way to proceed with this kind of a project before we run into a hornet's nest or open up a Pandora's box. I would ask you to comment on that first.

Second, we had the case recently about these films, and I commend you for your personal comments, on your own viewpoint on that. I happen to agree with you. I think you are correct.

Let me cite another one or two that I think are other examples of how sometimes our actions run counter to our stated desires. Gabriel Gracia Márquez and Carlos Fuentes are two rather well-known authors, one of which just received the Nobel prize for literature. As you and I both know, they are not allowed to travel freely in this country because of their viewpoints. They are considered less than supportive of some of the things that we wanted to do in the past.

Wouldn't you agree that, if we are truly interested in promoting the notion of a free society and are willing to listen to varying viewpoints, particularly of writers who don't pose any significant national security threat, that we might make some modifications in some of our existing statutes and laws as to demonstrate to others our commitment to democratic ideals.

Let me ask you these two questions first and then I have a couple of others.

Mr. WICK. I certainly agree with your concerns, and once I am out of this office and return to private life, I would be reinvigorated with the same concerns I had before I came here. As a nonpracticing lawyer, I spent a lot of time with the Constitution, and as a father of five children, I am vitally concerned with the basic freedom of thought, freedom of the individual as against Government encroachment upon the basic freedoms of an individual.

Insofar as legislative intent and guidelines relating to this program, I can't quarrel particularly with that and I wouldn't argue about it. I would say this: that what we are talking about here essentially are enhancements of ongoing types of activities that were promulgated after great thought and continue even to this very day to be monitored by the staffs of your committee and others as to whether or not they are in conformity with the legislation and/or in conformity with basic fairness.

So I would suggest that there is very little opportunity for deviation or alteration as a result of an enhanced funding of projects that involve education, the media, unions, universities, religious groups, and that kind of thing. We will be working through various instrumentalities of Government in fostering democratic leadership and strengthening democratic institutions. I can't see much in that type of program that would cause grave concern.

But I won't debate that with you. I would say this. If legislative intent is needed, whatever those guidelines are, I am sure that they would be in conformity with the bipartisan intent.

Senator DODD. As one member of the committee, I would like to ask you to submit some legislative guidelines. I feel that is essential, I really do. We are talking about 2 years, $85 million. That is, I guess, only a few million less than the total request for the Peace Corps last year. Congress upped it to $107 million or so.

But we have a legislative authority—granted, it is a separate agency and I understand that, but the point is we established some very clear guidelines about what the Peace Corps would do some 20 years ago. One of the reasons I think it has survived is because we established those parameters.

If you in fact wish this kind of program to survive, we had better establish some parameters of behavior for it or I can guarantee as I look at the chart that you took down—and maybe we want to put it up again for just a minute. Can I ask you to do that?

Mr. WICK. Sure. We are happy to have you look at the chart, but it is an internal organization effort to help us to be more effective.

Senator DODD. Well, maybe we will consider it that way. Anyway, there are going to be those who will take potshots at this thing for maybe very narrow and self-serving reasons, who will write a story on it without necessarily having the interest of the United States at

heart. They will see the NSC, the White House, the Defense Department, the State Department as parts of a supercoordinating committee that has authority over an international political committee, a part of which is Project Democracy.

I can just see that this is going to be perceived as a propaganda tool. Now, this may be just some sort of a draft chart, but it reflects that kind of involvement. Now, as a member of this committee I would want to know what is the relationship between the NSC, for instance, and the White House and Project Democracy? What sort of an involvement are they going to have?

I think unless we define that involvement and declare what it is to be or not to be, this project is going to run into a real problem right off the bat. So I would recommend, and Mr. Chairman, I would make the request that before we get to the actual authorization or appropriation of dollars, USIA should submit to this committee a legislative proposal that would define what this Project Democracy is to do.

That seems to me to be the orderly way to proceed with something as creative, innovative as this project, I am not decrying it at all. I just would like to feel a little bit more secure about what we are getting into, and it seems to me that is a more orderly way to go.

So I would make that request of you to submit to us in a final form what the flow chart will be, who will have authority over this effort and at what levels of Government. That would, I think, assist us as well, and that could be included in the legislative proposal.

Let me just make a last point here because my time is running out. I am disappointed over the exchange program. I understand what you are trying to do and I don't want to pit one program against another. That is too easy a way to deal with these issues. I have said this before and I will say it again here.

We are losing a significant asset in terms of hearts and minds, if you will, due to our failure to be more aggressive in bringing and attracting students to this country in exchange programs. Let me cite a statistic I have repeated in this committee before.

In the Caribbean Basin, not including Cuba, there are 3,000 students studying behind the Iron Curtain with all of their expenses—travel, boarding, studies, books—paid for by the Patrice Lumumba University and others.

We have, under a similar program in this country, roughly 15 students under full scholarship programs where everything is paid for, out of the same area. These are people who go back to their countries, they become the ministers, the deputy ministers, the leadership elite of their country.

If we are talking about limited dollars and our ability to have some impact on the future of democracy and the ideals which we believe in, it seems to me that we ought to be putting as many of those dollars as we can into those kinds of programs.

I wonder whether or not we are preaching to the choir, in effect, when we bring in people who pretty much agree already. A democracy proposal for Europe? My God, if our European allies don't buy democracy, we are in deep, deep trouble. Yet, if we could come up with $65 million—and I commend you for convincing the administration to let you have this second-only-to-arms increase in the budget—I would like

to call upon your obvious persuasive abilities to go back to David Stockman or whoever else it may be and see if you can convince him to meet the guidelines that Senator Pell outlined a few years ago, or at least come close to them, so that we may get back on track again on this exchange program.

Believe me, I don't care how much money you put into newspapers, into radio broadcasts, if we don't compete in influencing that human infrastructure, we will continue losing this battle. All the newspapers in the world, all the radio shows, all the visits, all the religious exchanges, are just not going to do it.

I would ask you to be as aggressive as you could on those exchange programs as you obviously have been on Project Democracy. I just feel that we are going to be in deep trouble in the years ahead if we don't do it.

Mr. WICK. Senator, I agree with you, and as you know, I fostered the International Youth Exchange and we have raised over $2 million thus far just from the private sector. I would presume that among my persuasive powers you are excluding the ones you referred to.

Senator DODD. Not necessarily.

Mr. WICK. Well, thank you. Also, let me hasten to add, insofar as the 3,000 students from Cuba as against the 50, there are 1,196 students in this country funded under the Fulbright program now, 26,000 students in this country that are funded by other governmental agencies, and there are a total of 326,000 foreign students in this country from some nearly 100 countries, including those that one would characterize as nonfree and partly free.

Insofar as Project Democracy is concerned, there would be very little spent in Europe. We hope that the German foundations that have already been doing this for many, many years, as well as France, which spends over $1 billion in advancing the same sort of exercises in the francophile countries, will be doing their share.

The Soviets don't have a private sector such as we do, and this must be taken into account in weighing their government funding against ours.

Regarding Carlos Fuentes and these other people, that is an immigration policy which I believe Congress has the authority over——

Senator DODD. Let me ask you for your personal view on that one.

Mr. WICK. I frankly don't know enough about it. My personal view is to resolve any ambiguity in favor of a free society, but there are certain constraints on free speech. You have been to law school, I know, and one of the first things you learn is free speech does not include the right to yell "Fire" in a crowded theater. There are areas where discretion must apply.

I don't know that much about it, but I have already told you what I thought about the newspaper article and the propaganda law that has been on the books since 1934.

The CHAIRMAN. I am going to have to reluctantly call this part of the hearing to an end.

Senator PELL. Forgive me. I have one more point I would like to make.

The CHAIRMAN. If it is a brief one.

Senator PELL. It is an important one.

The CHAIRMAN. A brief important one.

Senator PELL. When Mr. Wick mentioned the 300,000-plus students were in America, he is also including in that, and perfectly properly, the students who are paying their own way.

Mr. WICK. Absolutely.

Senator PELL. I think we should bear in mind the place Soviets are making an impact is with the low-income and middle-income children who cannot afford to pay their own way. These people are almost entirely moving in the other direction.

I would request that you submit for the record the total not only worldwide but from the Caribbean area, and then on a continental basis, of the students paid for by the Government, going out and coming in; and also if you have the same specifics for the Soviet Union and the Eastern bloc, I would be very grateful.

Mr. WICK. We would be happy to do that. I can tell you that right now the Government is paying for about 14.8 percent of the students here, which would be somewhere around 48,000 or so. We will be happy to give you the specific figures.

Senator PELL. Yes; I would like, and a comparison with Soviet figures, and be sure that they are accurate.

Mr. WICK. If you specify that, we will do our best.

The CHAIRMAN. Mr. Wick, I was very concerned and I hope you are about the reports that Radio Marti would be comingled with the Marathon station of VOA. I hope that would be put to rest. I will have a number of questions to submit to you on VOA.

I commend you on what has been done on the Asia Foundation.

I have a number of questions about making certain that we do not reduce the flexibility of that organization, but I will submit those in writing to you.

This section of the hearing has gone about an hour longer than expected. We have witnesses that have come in from across the country for a public panel and also Senator Buckley has come from Munich just for the BIB portion of this hearing. I would like to complete this hearing.

We thank you very much.

Mr. WICK. Will you permit me 30 seconds? I would like to state for the record that I have been in this job since June 8, 1981. Never once have I been instructed, cajoled, or directed by the White House to do anything relating to my administering of this Agency.

Senator DODD. Mr. Chairman, I just wondered; we have a unique opportunity here, and I don't know how you feel about it. I know we are running out of time.

Senator Fulbright is here in the room, and I wonder if he would care to make some comments?

The CHAIRMAN. Senator Fulbright, as you can see, we have real problems with scheduling, problems which you grappled with for years. I think we would be derelict if we didn't take a moment to have you speak, and then we would keep the record open at this point so that any supplementary statements you might like to make on exchange programs could be incorporated as a very vital and important part of this hearing.

Senator Fulbright, if you would care to step forward and make a comment.

STATEMENT OF HON. J. WILLIAM FULBRIGHT, FORMER CHAIRMAN, SENATE FOREIGN RELATIONS COMMITTEE

Senator FULBRIGHT. Mr. Chairman, I appreciate very much your asking me to say a word or two. Last time I was in any hearing in the Senate was 1977 when it concerned the merger of the exchange with the USIA. That was before Government Operations, I believe, not this committee.

At that time I, as vigorously as my capacity would allow, objected to the merger because I felt that the merging of an educational-cultural exchange which was a long-term program—none of these programs can be said not to be political in their objectives, of course, but there is a great difference in how one approaches it and how effective it might be.

The exchange program is a long-term program and it is not, as Senator Mathias indicated, directed toward selling any short-term or immediate policies in any respect. If it is so directed it would destroy its credibility. I would just say a few words about it.

I am still very distressed about the merger because of various reasons. In the last 30 years, some 24 countries, I believe, have engaged in cost sharing, which I regard as being perhaps the best testimony one can have as to its credibility abroad.

The way other countries, and these are important countries—for example, Germany in 1981, I believe, contributed nearly twice as much for the Fulbright program in Germany as we did, as our Government did. Japan passed a bill 2 years ago, to match our million dollars and has made very substantial private contributions. I think 24 countries contribute. Those figures are available. It is a substantial sum now.

I think if foreign governments get the idea this is an arm or a part of information and propaganda, that they will lose interest and they would not support it. No country will support another country's propaganda program. But they conceived of it and it has established a reputation in these 30-odd years that it has been operating as being nonpolitical and long term and strictly confined to educational-cultural exchanges without any overtones of propaganda or information in the short term.

It does have that reputation, as evidenced by the participation of these other countries, and I think that is its most valuable asset. I think the continuity is extremely important. In this country we have grown so quickly and so rapidly and we have such a short history compared to most of the advanced countries of the world that we tend to change constantly.

There is a constant change, even the names. This Agency used to be USIA. It was made ICA under President Carter, and now it is back to USIA. The cultural exchange was for 20 years in the State Department, where it grew up free from the interference of the USIA or any other agency.

I don't wish to take too much time. You have other people here. But I would like very much to see this program, the exchange itself, separated from USIA in any way that is reasonable, either under a separate charter of its own—you mentioned a charter for VOA. I don't know how you could give the Fulbright program a charter within

USIA. It may be possible. If that is possible, that would be the minimum.

I would like to see it in an autonomous program or back in the State Department, or perhaps in one of our cultural organizations that is not concerned with information. For example—I haven't consulted anybody about this, certainly not Mr. Ripley—but I think of the Smithsonian as an institution of long standing, of great reputation, and it is strictly cultural. It was not created to try to influence the immediate policies of anybody. It simply stands there as a token, as a symbol of our interest in cultural, educational, and artistic affairs, which in the long run is the best testimony to a country's character and purposes.

So those are the thoughts that arise when I hear this tendency to gradually identify exchanges with projects which—I don't object to Project Democracy in itself if it has nothing whatever to do with exchange—are primarily designed to sell current political policy of the Government to foreigners. I can see great confusion arising in the minds of our cost-sharing friends who do pay what I think approaches a half, a third or a half of the cost, of the exchange program.

Project Democracy is a very difficult concept. There are many different concepts of what is democracy or a democratic government.

Many of the authoritarian countries call themselves democratic republics. Semantics is a very slippery and dangerous thing in this area, but in any case, it seems like an affirmative project to sell our short-term programs to meet urgent short-term problems. And that, I think, will cause great confusion in foreign countries.

I am always concerned about how the foreign countries look at the exchange because the purpose is to build up leadership in these countries with whom we can cooperate in our mutual interests on very important subjects, especially ultimately dealing with conflicts. I look upon it as, in the long run, in a sense, political in that there are people, important people. in these countries—I will not try to give them to you now, but in Japan it is very dramatic, and in Germany, the President of Germany and 34 of the current ambassadors of Japan have been, including the one here in Washington, have been under this program.

The Chief Justice of the Supreme Court of Japan and many of the major agencies such as foreign affairs. like our Under Secretary of State. et cetera. have participated, and that cannot be duplicated or bought by newspapers or any other way. Those people having been here may well be a decisive influence in the important decisions as to how these nations in the long run aline themselves in relation to our purposes or to anybody else's purposes.

Further, I believe that this program should never have been interrupted with the Russians, or in Eastern Europe. It was a small program. and unfortunately in the Carter administration it was virtually abandoned, although there is still, I think, a very small program in that area.

But in the long run, that program is what makes the difference and may avoid trouble. I will not burden you any longer, Mr. Chairman. I am delighted that you and other members have expressed confidence in the concept, the procedure of exchange free from political guidance

on a short-term basis. I do not object to the latter. All countries have VOA's and so on, but it is a different approach. It should be clearly distinguished and, I think, physically separated from information.

The CHAIRMAN. Thank you very much, Senator Fulbright, we appreciate your being with us.

Senator PELL. Excuse me, I would like to join in saying how glad I am to see you here. We have missed you very much.

Senator FULBRIGHT. Thank you very much.

The CHAIRMAN. We will call now the public panel, John Richardson, John Reichard, Richard Berendzen, Walter Rosenblaith, and Al Sommer. Thank you very much, Mr. Wick, and your colleagues, for very fine testimony.

Mr. WICK. Thank you.

The CHAIRMAN. We are not going to finish this hearing if we do not get started. Please, those who are leaving the room, if they could leave silently, carry their conversations on outside the room, please. Thank you very much.

I understand, Mr. Berendzen, you have a time restraint. We will take testimony from you, then excuse you immediately.

STATEMENT OF RICHARD BERENDZEN, MEMBER, AMERICAN COUNCIL ON EDUCATION, COMMITTEE ON INTERNATIONAL EDUCATION, WASHINGTON, D.C.

Mr. BERENDZEN. Thank you very much. Mr. Chairman, members of the committee, I am Richard Berendzen, president of the American University and a member of the American Council on Education's International Education Commission.

The CHAIRMAN. I would ask that each of our witnesses be as concise as they possibly can be. We do have your full testimony. We have gone over it and it will be incorporated in the record.

Mr. BERENDZEN. Today I am also speaking on behalf of the International Education Exchange Liaison, which is an interassociational committee comprised of the executives of many of our leading nonprofit exchange organizations.

Last year I also served as chairman of the American Consul on Education's Committee on Foreign Students and Institutional Policy. It, then, examined many international education issues and produced a detailed report about them.

In my very brief statement today I should like to focus on but one of those areas with which we dealt; namely, the dramatic recent growth of Soviet bloc educational exchange programs, particularly in comparison with those of the United States, and to give my very brief recommendations regarding this. It is a topic that I know that you, too, are concerned about.

Through the committee studies we have determined that the Soviet Union and its Eastern European allies have greatly increased the number of foreign students enrolled in their higher educational institutions. Indeed, the Soviet Union clearly has the highest rate of increase of any of the major world host countries.

In 1975, approximately 18,000 Third World students were studying in the Soviet Union. By 1979 that figure had risen to 31,000. In 1965, in

the Soviet Eastern bloc countries, there were 5,000 students from non-Communist developing nations. By 1975, that figure had doubled, and by 1979, it had more than doubled again to some 25,000 students. In total, as of December 1979, the last year unclassified data were available to us, there were more than 55,000 students from the developing world and the Soviet Union and its Eastern European allies. The number today probably stands around 65,000 to 70,000.

These figures remain well below the more than 325,000 students from abroad now studying in the United States, which is, of course, the largest host country in the world. But the rate of growth of the Soviet bloc is, indeed, alarming.

Perhaps of even greater concern, however, is the population in which the Soviet scholarship activities are directed. Talented young people abroad who cannot afford the cost of U.S. higher education. An illustration of this was recently described by one of your Senate colleagues, Lowell Weicker. In that address before the Institution of International Education he pointed out that during a recent visit to the Isle of Youth in Cuba, he observed a group of 600 Namibian students; in contrast there are but two Namibian students in the entire United States.

This fact, Senator Weicker stressed, worries him more than the presence of some thousands of Cuban troops stationed in Angola or elsewhere on the African Continent. As a citizen and educator, I agree. Cuba's future influence in Africa could be far greater than it is today, yet it could wield that influence then without direct involvement by virtue of Cuban-educated leaders of the indigenous population acting as surrogates.

What should be the appropriate response by the United States to the increase in Soviet bloc educational exchange activities? To me, the answer is obvious. We should greatly expand the Fulbright and other educational and cultural exchange programs of the U.S. Information Agency. This was one of the fundamental conclusions of the ACE committee on foreign students and institutional policy, although we, of course, had additional reasons for making the recommendation.

I am sure you are aware of the many benefits of these valuable programs, including not only the Fulbright program, but also the Humphrey fellowship program, the international visitors program, and others.

Although I wanted to share my concern with you regarding the increasing role of the Soviet bloc in educational exchange and my hopes regarding the appropriate response from the U.S. Government, I also wish to convey my sincere thanks, and those of my colleagues involved in international educational exchanges, to the members of this committee and to the Congress as a whole of the strong support you have demonstrated for these programs during the last session of Congress.

With enactment of section 304 of Public Law 97-241 you began the vital process of building the Fulbright program to the statute and scale it once had. On behalf of all of us who are deeply interested in these issues, I urge that this committee and its counterparts elsewhere in the Congress, do all that you can to insure the integrity and the full and adequate support of these vital programs. They are essential, in my view, for education as well as for the American foreign policy.

The CHAIRMAN. Thank you very much. We appreciate your patience this morning.

John Richardson, we are delighted to welcome you back.

[Mr. Richardson's biographical data follows:]

BIOGRAPHICAL DATA OF HON. JOHN RICHARDSON

John Richardson, 60, has been President and Chief Executive Officer of Youth for Understanding since July, 1978.

Mr. Richardson was United States Assistant Secretary of State for Educational and Cultural Affairs from July 1969 to January 1977. In this period he was also a founding member of the Board of Directors of the Inter-American Foundation and a member of the Board of Governors of the East-West Center in Hawaii, Trustee of the John F. Kennedy Center for the Performing Arts in Washington, a member of the Federal Council on the Arts and Humanities and a founding member of the Japan-U.S. Friendship Commission. He was also Acting Assistant Secretary of State for Public Affairs from 1971 to 1973.

In the year-and-a-half between his associations with the State Department and Youth for Understanding, Mr. Richardson was employed by Georgetown University as Executive Director for Social Policy at the Center for Strategic and International Studies and Research Professor of International Communication at the School of Foreign Service.

Mr. Richardson is now the volunteer President of Freedom House in New York, Chairman of the American Council for the United Nations University, Chairman of the Consortium for International Citizen Exchange, a member of the Boards of the Foreign Policy Association, Global Perspectives in Education, Inc., Meridian House International, the International Rescue Committee, Arts International and the Citizens Commission on Southeast Asian Refugees.

Among the organizations in which Mr. Richardson now holds membership are the Council on Foreign Relations (New York), the U.S. Association for the Club of Rome, the National Association for Foreign Student Affairs (Honorary Member) and the Fulbright Alumni Association (Honorary Member).

In November 1980, Mr. Richardson was one of the Americans invited to participate in a pioneering "U.S.-German Conference on Research on Exchanges" in Bonn, Germany. In March 1981, he was a guest of the Japanese Government as a participant in the Japan Foundation's Symposium on "Ideas and Policies in International Cultural Exchange."

From 1961 to 1968 Mr. Richardson was President, Chief Executive Officer and a member of the Board of Directors of Free Europe, Inc. (Radio Free Europe). On March 1, 1968 he resigned to pursue full-time for the ensuing year the study of international communication as a factor in social and political change.

While he was a general partner in the investment banking department of Paine, Webber, Jackson and Curtis in New York in the late 1950's, specializing in corporate underwritings, Mr. Richardson became Treasurer and President of the International Rescue Committee. A private, tax-exempt relief agency, it has helped tens of thousands of refugees, especially those in the professions and creative arts, since the early 1930's.

In 1957, after learning of shortages in pharmaceuticals in Poland, Mr. Richardson personally organized and carried out a private effort through which several million dollars worth of medicines were contributed by American drug companies and made available to hospitals throughout Poland. Soon thereafter, he became an original sponsor and Board member of the highly successful American Research Hospital for Children in Cracow, Poland.

Mr. Richardson received his A.B. degree at Harvard in 1943 and his law degree there in 1949. He practiced law with the firm of Sullivan & Cromwell in New York City from 1949 to 1955. In World War II he was an officer in a parachute field artillery unit in Europe.

From 1967 to 1969 Mr. Richardson was Chairman of the Department of Metropolitan Mission of the United Church of Christ in New York. In that period he was also a director of the New York State Conference and the Mt. Vernon (N.Y.) branch of the NAACP, and a founding director of Westchester Residential Opportunities, Inc. (providing financial and other services to facilitate housing integration).

He is married to the former Thelma Ingram. They have five daughters, three granddaughters and a grandson. The eldest daughter was a fifteen year old refugee from Hungary when she joined the family in 1957. Another daughter was an exchange student in Germany in her senior year of high school. The Richardsons were the host family for an English teenage exchange student who continues, many years later, to be a member of their extended family. The Richardsons live in Chevy Chase, Maryland.

STATEMENT OF HON. JOHN RICHARDSON, CHAIRMAN, THE CONSORTIUM FOR INTERNATIONAL CITIZEN EXCHANGE, WASHINGTON, D.C.

Mr. RICHARDSON. Thank you, Mr. Chairman. Mr. Chairman, I will not read my statement. You have it in front of you, I believe. I would like to add simply a couple of points.

One, on behalf of the Consortium for International Citizen Exchange, let me express my thanks and appreciation for the work of the present Director of the U.S. Information Agency, particularly in the area of youth exchange. In less than a single year he has made a major contribution to increasing public awareness here and abroad of the importance of long-term home-stay teenaged exchange programs. And it is the most important executive branch initiative in this general area of educational exchange, in my experience which goes back to 1969 when I first became Assistant Secretary of State for Educational and Cultural Affairs.

I say that not so much because a lot of private money will be raised and some more Government money will go into youth exchange, and not because a U.S. President and six other Chiefs of Government have become actively involved in promoting this type of youth exchange, although that is all important. I say so because the communications media are going to be energized in a way they never have been before through purposeful effort by the Advertising Council of the United States, probably by the Advertising Council of Japan, quite possibly by advertising agencies, companies, and advertisers all around the world to develop support for this extremely important, very basic kind of long-term investment in international mutual understanding.

That is an accomplishment which I think the President and the Director of USIA should have credit for bringing about in less than a year, and it is a remarkable accomplishment.

Mr. Chairman, in the longer run, this youth initiative can, and I believe, will lead to an expansion of support for all educational exchanges between this country and the rest of the world—not just with the six or seven countries that we begin with in this International Youth Exchange initiative.

I think it is the entering wedge of an effort which can very, very broadly expand public interest and concern and awareness and participation in exchange programs; beyond government leadership that is the most important thing—the private activity which engages individuals, whether they are young or old, in international, serious exchange activity. So, I want to express my congratulations to the Director for all that.

My statement refers—and I will not elaborate on it—to our enthusiasm for the Pell amendment. Mr. Chairman, thank you.

[Mr. Richardson's prepared statement follows:]

PREPARED STATEMENT OF HON. JOHN RICHARDSON

Mr. Chairman and Members of the Senate Foreign Relations Committee: I appear here today as Chairman of The Consortium for International Citizen Exchange, organized in 1980, comprised of the Chief Executive Officers of AFS International /Intercultural Programs, The Experiment in International Living, The Friendship Force, National Council for International Visitors, Partners of the Americas, People to People International, Sister Cities International, and Youth for Understanding (of which I have been President since 1978). My previous experience has included paratroop service in World War II, 6 years as a practicing attorney, 6 years as an investment banker, 7 years as Chief Executive Officer of Radio Free Europe and nearly 8 years as U.S. Assistant Secretary of State for Educational and Cultural Affairs.

Although some of the members of The Consortium for International Citizen Exchange receive support from USIA and others do not, we unanimously support the expansion of exchanges mandated by the Pell Amendment. As experienced professionals in the field of international cultural relations, we are acutely conscious of the anomaly of a long-term decline in U.S. support for a program which nearly every knowledgeable person considers to be exceptionally valuable. Of course, as government programs go, it is also very inexpensive.

A few examples, drawn from the 1982 report of the U.S. Advisory Commission on Public Diplomacy, are indicative of the declining level of U.S. activity:

U.S. Government educational and cultural programs are presently operating in real dollar terms at 60 percent of their 1965 levels.

The Soviet Union spends approximately seven times as much as the United States for international educational, cultural and information activities. The United States ranks below its major European allies and Japan in the percentage of its national budget allocated to public diplomacy efforts.

The number of annual International Visitor grantees has dropped from a high of 2,171 in 1978 to 1,579 in 1981.

The number of American Fulbright grantees has plummeted from a high of 904 in 1966–67 to 364 in 1980–81.

This decline in U.S. program activity should, in my judgment, be evaluated against the following trends in world affairs, all requiring more sensitive, insightful, competent and cooperative behavior by international actors, most especially the most powerful and influential of all, the United States:

1. The nuclear arms race and nuclear proliferation.
2. The various threats to the health of the biosphere.
3. Increasing interconnectedness (interdependence)—economic, technological, social and cultural.
4. The emerging realization that the communications revolution is at least as likely to ignite or sharpen conflict as it is to engender mutual understanding.

The members of our Consortium are enthusiastic about President Reagan's International Youth Exchange Initiative. It is a most imaginative and important step toward wider public support here and abroad for exchanges, not only at the youth level but at all levels. However, the long-term trend in U.S. support seems to us too damaging to await positive consequences of the Initiative. The Pell Amendment meets the need we all see for an urgent expansion of the U.S. effort in educational and cultural exchange.

Thank you very much, Mr. Chairman.

The CHAIRMAN. Thank you very much, I share your enthusiasm for that particular program. I think it is cost effective. I know of the impact that living abroad had on my own children at that very impressionable age, which was a lasting and positive experience.

Just one question for you. Do you support Project Democracy, from what you have seen of it?

Mr. RICHARDSON. May I appear in a different hat, Mr. Chairman? I would rather not speak as chairman of the Consortium for International Citizen Exchange in responding to that question because it really is not our business.

The CHAIRMAN. In your individual capacity.

Mr. RICHARDSON. I would like to respond, if I may, as president of Freedom House in New York, which is a volunteer job I have. Freedom House, some years ago proposed and advocated the idea of an institute for freedom and human rights, which would be a congressional chartered institution under a representative board appointed by the President on the basis of clearly defined criteria; the institution would operate within clearly defined constraints, would be fully accountable, and would be specifically charged with promoting the spread of democracy in the world.

It is simply another model, Mr. Chairman. I am just delighted that the President spoke as he did last July. I think that is a great step forward, to commit the United States to what we should be doing consciously, systematically and purposefully and not simply by chance through miscellaneous exchange and other communications programs mandated to put forward the U.S. example or to encourage mutual understanding. I thought that speech was great.

But we in Freedom House stated some years ago our preference as to the way such an activity, a grant-making activity, should be organized.

The CHAIRMAN. Fine, thank you very kindly. Mr. Reichard?

STATEMENT OF JOHN F. REICHARD, MEMBER, STEERING COMMITTEE, INTERNATIONAL EDUCATIONAL EXCHANGE LIAISON GROUP, WASHINGTON, D.C.

Mr. REICHARD. Mr. Chairman and Senators Pell and Dodd, I will skip many of my remarks in the interest of time. I do not think anyone could have said it better than Senator Fulbright.

I am John Reichard, executive vice president of the National Association for Foreign Student Affairs, and a member of the Steering Committee of the International Educational Exchange Liaison Group, an association of chief executive officers of 17 leading U.S. nonprofit organizations engaged in international educational exchange programs.

On behalf of my colleagues in the Liaison Group, I wish to support this crucial program of funding increases for exchange of person activities administered by USIA, which was begun last year by the committee through section 305 of the fiscal year 1983 USIA authorization bill.

Effective international exchange programs serve the long-term national interest of the United States in many ways. Among them, the Fulbright and related academic exchanges are vital to the Nation's scholarly communication throughout much of the world. They contribute tremendously to American facility with foreign languages and build specialized knowledge of other parts of the world.

They create understanding of American life and culture, cementing relations with our allies and nonaligned nations and providing some basis for the search for reconciliation with our adversaries. They create a citizenry better able to understand international relationships and their importance to our political and economic wellbeing.

One of the major reasons educational and cultural exchanges are so effective is found in the nature of American institutions of higher

education. In exemplifying a diverse and vital mix of ideas and educational methods and the equality of opportunity, so characteristic of American society, our colleges and universities provide insight into some of the strongest values in our culture and in our democracy.

I mention in my testimony the decline in programs. Really, only 2 to 3 percent of the 300,000 plus foreign students receive primary support from the U.S. Government. Mr. Wick mentioned a larger figure. That may mean they receive some support in travel, et cetera, but it is important for us to recognize that only a small percentage are sponsored by the U.S. Government.

We could point out a number of current lacks. as has been pointed out here, in our exchange activities. Especially in terms of our long-term relationships with the developing countries, the successor generation, our needs as a nation to be more competent in foreign languages, et cetera.

In addition to the continuation of the funding increases for exchanges begun last year with section 304 of S. 1993, it is important that the academic integrity of these exchange programs be maintained if they are going to continue to attract and train the best and the brightest students and scholars.

The International Exchange Liaison Group looks forward to a continuing dialog with this committee, others in Congress and other Government agencies in strengthening our international educational exchange efforts. Thank you.

[Mr. Reichard's prepared statement follows:]

PREPARED STATEMENT OF JOHN F. REICHARD

Honorable Chairman Percy and Members of the Committee: I am John F. Reichard, Executive Vice President of the National Association for Foreign Student Affairs and member of the Steering Committee of the International Educational Exchange Liaison Group, an informal association of chief executive officers of seventeen leading U.S. nonprofit organizations engaged in international education exchange programs. On behalf of my colleagues in the Liaison Group, I am here today to provide testimony in support of the crucial program of funding increases for exchange-of-persons activities administered by the United States Information Agency which was begun last year by the Committee through Section 304 of the fiscal year 1983 USIA authorization bill.

Effective international educational exchange programs serve the long term national interests of the United States in many ways. Among them, we would cite the following as primary:

The Fulbright and related scholarly exchanges are vital to the nation's scholarly communication throughout much of the world;

They tremendously increase American facility with foreign languages and build specialized knowledge of other world societies, increasingly crucial in maintaining our position of world leadership;

At the same time, these programs create understanding of American life and culture, cementing our relations with allies, and nonaligned nations, providing a basis for the search for reconciliation with our adversaries;

By bringing significant numbers of international students, scholars and other visitors into our society, international exchanges create an electorate and citizenry better able to understand international relationships and their importance to our political and economic well being;

Such exchanges also provide the foundation for strong economic links through which foreign trade and commerce can expand.

As evidence of the potential influence of such exchanges, consider the statistic reported recently in a Japanese publication that, of the more than 100 ambassadors Japan stations around the world, 34 are former participants in the Ful-

bright program, and 16 of the presidents of Japanese universities are former Fulbrighters.[1]

One of the major reasons educational exchanges are so effective is found in the nature of American institutions of higher education. In exemplifying the vitality, the openness and the equality of opportunity characteristic of American society, our colleges and universities provide a window onto the finest qualities of our culture.

In keeping with this open and democratic system, our international exchange linkages rely primarily on individual initiative and private sector programs for their support. Of the 326,300 foreign students who studied at U.S. higher education institutions in 1981–82, only 2.3 percent received primary support from the U.S. Government.[2] Similarly, 30,613 American students studied abroad during the same period on programs sponsored by our colleges and universities, receiving government support only through the financial aid programs regularly available to qualified students.[3]

This is a commendable achievement indicating the force of private initiative. It does not, however, follow that the government has no role to play in international exchanges. On the contrary, the government's role is vital in meeting our national political, economic and security needs, since the impressive private sector structure is built according to the parameters of the educational marketplace and cannot be expected to completely conform to national policy objectives. More importantly, the value of the Fulbright and other USIA programs in establishing the U.S. Governments' commitment to international exchanges, and in setting standards and models for such programs cannot be overestimated.

We do not need to remind you, however, that the erosion of funding for these programs through the late 1960's and 1970's seriously hampered the potential of the programs to meet the nation's needs. The latest report from the Board of Foreign Scholarships indicates, for example, that funding for the Fulbright programs has fallen from $29,376,000 in 1960 to an estimated level in 1982 of $17,681,000 (expressed in constant 1972 dollars).[4]

As a result of this loss in net funding, we would cite the following partial list of areas in which American needs are not being met:

> We are not adequately meeting the need for education of students and scholars from many developing nations. As I am sure you are aware, the nations of the Soviet bloc are actively involved in cementing future relations with the leaders of the developing world through a substantial program of scholarships. For example, recently published information indicates that the Soviet Union made available more than 5,000 grants to Latin American students in 1980, compared with 781 from the United States.[5]
>
> Similarly, maintaining strong ties with the "successor generation" in Europe is of extreme importance to U.S. national security and is not being adequately addressed through exchanges today.
>
> The poor state of our Nation's foreign language skills and our knowledge of other cultures is well documented. Studies by one of the IEELG organizations, the National Council on Foreign Languages and International Studies reveal, for example, a national shortfall of at least 3,171 specialists in Africa and the Middle East and a similar shortage of 734 Soviet and Eastern bloc experts.
>
> Support and enrichment activities to supplement the academic programs of unsponsored students, who may bring as much as 3 billion new dollars into our economy, are universally recognized as vital to enhancing understanding of American life and values; yet the fiscal year 1982 budget of the USIA Office of Student Support Services has dropped to 62 percent of the 1963 per student rate of expenditure. This percentage does not account for the declining value of the dollar due to inflation over that 19-year period.

In addition to the continuation of the funding increases for exchanges begun last year with Section 304 of S. 1193, it is important to remember that the aca-

---

[1] Hachiro Koyama and Michiko Fukazawa, "Needed: A Japanese Fulbright Program," *The Wheel Extended*, Toyota Motor Company, July–September 1982, pp. 10–15.
[2] *Open Doors*, 1981–82 edition, the Institute of International Education, New York, publication forthcoming.
[3] Ibid.
[4] *Fulbright Program Exchanges: 19th Annual Report*, Board of Foreign Scholarships, December 1981, p. vii.
[5] Madeleine Kalb, "U.S. Losing Battle for Minds," Washington Post, December 5, 1982.

demic integrity of these exchange programs must be maintained if they are to continue to attract and train "the best and the brightest" students and scholars, both from abroad and from our own country.

The members of the International Educational Exchange Liaison Group look forward to a continuing dialogue with this committee, others in the Congress, the USIA, and other government agencies and departments in strengthening our international educational exchange structure. We hope the information we have provided to you today is useful in your current deliberations.

The CHAIRMAN. Thank you very kindly, we appreciate it. Mr. Rosenblith?

STATEMENT OF WALTER ROSENBLITH, MEMBER, AMERICAN COUNCIL ON EDUCATION, COMMITTEE ON INTERNATIONAL EDUCATION, WASHINGTON, D.C.

Mr. ROSENBLITH. I am Walter Rosenblith, institute professor and provost emeritus at MIT. I am also a member of the Commission on International Exchange of the American Council on International Education, and former chairman of the Board of Foreign Scholarships.

Today, I appear before you to offer testimony in support of the strengthening of a proven international educational exchange instrument, the Fulbright program, and those that are related to it. Given my background as a natural scientist, I could elaborate here—if we had the time—how in international scientific exchanges scientists benefit from two facts: first, the laws of nature are the same under all skies, and second, they share common languages with their peers, to wit, mathematics and English. But we shall have to forego such an excursion.

After the Second World War, this country was able to achieve something unique in the history of human pursuits. Not only was the United States able and successful in bringing Europe economically back to its feet with the aid of the Marshall plan, but we made a unique contribution to the rebuilding of European universities and technical institutions and, more broadly, of their human resources. The latter was accomplished to a considerable extent through the Fulbright program.

Since then, the Fulbright program and later on the Hubert Humphrey program have become symbols of the way in which international educational exchanges contribute to the building of new nations in the postcolonial period.

We have experienced an explosion in the number of new countries throughout the world, also of the number of foreign students seeking to equip themselves to bring needed skills to the new nations. One would have thought that under those circumstances, support for these kinds of international exchanges might have grown perhaps proportionately to these events.

Instead, we have seen the opposite; though the number of tourists has also exploded, to come for a quick trip across the ocean does not build reliable intellectual or political bridges. In a world which is as interdependent as ours, which is as multifocal in excellence, and yet competitive, we need to think of exchanges as important tools in our own development.

Right after the Second World War, the United States represented perhaps two-thirds to three-fourths of the world's science. Today we represent perhaps one-third. We have thus a need to know not only what others are doing in order to fulfill our own responsibilities, but simply to keep up.

So given this necessity of learning from each other, given this newly competitive situation, what do we see? Instead of increasing support for a stable program in which individual scholars and students can spend enough time in each other's countries to build long-range competence about each other and understanding of the way in which these countries and their citizens think and operate, we have faced since the midsixties a decrease in constant dollar-support.

Almost wherever we go, our opposite numbers in other countries say: Are the people in the United States not aware of the unique asset which the Fulbright program represents? When we try to reassure them, we experience difficulties since this yo-yoing of support for the program is no way to convince them that we mean it seriously.

What is important for us is to pursue the road of section 305. Our partners who were badly shaken when they learned about the suggested budget cuts in 1981 perceived in the Pell amendment the beginning of a firm and continuing commitment, a commitment that ought to be spelled out further in a charter—a commitment that is not going to expose us next year to having to explain which part of the Fulbright program is called Project Democracy and which part is still the old Fulbright program.

Whatever yardstick one chooses, it is important for us to understand that the Fulbright and Hubert Humphrey programs are both inexpensive and truly cost-effective instruments of farsighted foreign policy. But they are more than that. They convey an accurate image of this country's genius for idealism, for pragmatism, and for individual progress—progress not only for ourselves, but for the entire world.

It is from this point of view that we in the academic community become concerned when we see the Fulbright program less than wholeheartedly supported, when we see it fragmented, when we see it subsumed under other headings that will make our partners across the seas shake their heads in puzzlement.

As Senator Fulbright indicated, academic programs do not flourish when coupled directly to day-to-day foreign policy and security concerns. To repeal Senator Pell's amendment represents no enhancement of international educational exchanges.

The CHAIRMAN. Thank you very much. Mr. Sommer?

STATEMENT OF AL SOMMER, JR., MEMBER, BOARD OF DIRECTORS, COUNCIL OF INTERNATIONAL PROGRAMS, WASHINGTON, D.C.

Mr. SOMMER. Thank you, Mr. Chairman. Mr. Chairman, Senators Pell and Dodd, I will be very brief, not only in response to your injunction, but because I think I have less to say than these gentlemen inasmuch as their experience in these matters is much broader and more intensive than mine.

I am a volunteer. I am here as a trustee of the Council on International Programs, which is one of the agencies through which these programs are administered.

This program is largely concerned with the exchanges involving youth workers and social workers. In 1981, as an example of its activities, it was instrumental in bringing over 200 such people to this country from 84 countries.

It is clear to me, as I have become more deeply involved in these activities, that they are of singular importance to this country, to its future welfare, and to the relationships we have with other countries. I would very quickly identify those benefits as three:

One, it seems to me clear that people who come to this country and live here, as they do under our programs, for instance, for 4 to 13 months, go back and become ambassadors. We are able to give witness, to use an old biblical term, by the way in which we live and by exposing these people to the way in which we live and the way in which we make democracy work in this country. And I think they carry away from here an experience that far exceeds in intensity and durability any experience they would have if they were lectured at or given books to read.

The second benefit I think is that these people go home and in a very direct fashion become friends of the United States, important friends, because they find their way into government, into other activities where they have influence on policy. As Senator Fulbright said, in many instances they become important government officials.

And third, I cannot underestimate the impact that I have seen of these exchange programs upon people in this country, including my own children. You mentioned yours, Senator Percy. My wife and I have had in our home many people from other countries, largely as a result of an exchange activity she is involved in. And I can tell you that I feel that as a result of those experiences I am a better citizen with a better understanding of the world and better able to contribute to the dialog in this country involving foreign affairs.

And the final thing I would say is that I think these programs and this activity are one of the best demonstrations I have ever seen of the manner in which the voluntary initiatives and Government funding and Government activity can collaborate to bring about a singularly beneficial result to this country and to the world.

And with that, I would simply say that I would hope that the substance of the Pell amendment will continue to be implemented, and that this activity will continue to be the remarkable influence that it is on the foreign affairs of this country.

Thank you.

[Mr. Sommer's prepared statement follows:]

PREPARED STATEMENT OF AL SOMMER, JR.

It is a pleasure to be asked to make a short statement on behalf of funding efforts for educational and cultural exchange endeavors.

I have been fortunate enough to be involved not only in the public sector, as a Commissioner of the Securities and Exchange Commission, but also in a number of activities, both while resident in Cleveland before my service on the Commission and since then, in the private sector. One of the most important activities

in which I have become involved in recent times has been as a volunteer Board of Trustee Member of the Council of International Programs, one of this country's several excellent exchange programs. Through this experience I have deepened my understanding and recognition of the enormous value which this nation derives from these programs which are the result of cooperative funding arrangements and constitute remarkably successful joint ventures between the government and the private initiative of citizens.

Like other cultural and educational exchange programs represented in IEELG, CIP began as a grass roots program, organized by Americans who felt a need to help improve world understanding, communication and interaction between people, regardless of location, race, cultural heritage, or gender. Private sector exchange programs in this country have proven over the last 30 years that "grass roots," people-to-people efforts, with adequate U.S. Government support, are extremely effective tools for improving American foreign policy and for enhancing greatly America's image abroad as a democratic country where government, institutions, and services have been designed by citizens and are "carried out" by them.

As a volunteer in one of these "grass roots" cultural and educational programs, I know that many advantages accrue from our efforts. Among them are these:

1. Foreign alumni usually do become good-will ambassadors for America. After their involvement with a cultural and educational program, these people see their immersion in the program with Americans as the cause of what becomes for them a lifetime of support of this country and the values for which it stands.

2. Many of these alumni of the CIP and other programs have become significant officials in their own countries and are in position of considerable influence. It is frequent that CIP's representatives are received by Ministers themselves, primarily as a result of the efforts of alumni who are in extremely important government positions. The substantive talks which occur in these situations are repeated over and over in CIP and other similar organizations as cooperative programs between our country and others are developed on an ongoing basis.

3. In addition to these examples about alumni, there is a third significant advantage relating to Americans who are involved with our country's programs. Many thousands of American volunteers who become acquainted with participants in our program credit that experience with enhancing their own competence and continued interest in world affairs. Many Americans who are volunteers with us "travel the world" through our participants, even when first hand experiences are not possible. Understanding, communication, sharing, and appreciation of others are certainly direct results.

This trend in volunteerism of Americans with cultural and educational exchange efforts is a growing and important step in improving world relations, which I am sure Congress wants to continue to support.

The cooperation between government and private sector cultural and educational efforts, which now exists, it seems to me, must increase and continue to multiply. With American people as volunteers and the U.S. Government as an impetus, how can such an endeavor fail, given our "track record" over the past 30 years?

As a volunteer totally committed to our cultural and educational programs, I wholeheartedly encourage your continued support and ask, as have others here, that you increase the involvement of Congress over the next years in improving the excellent efforts which now exist.

The CHAIRMAN. Thank you very much, indeed.

I would appreciate because of the broad background each of you have, each of you answering the question that I put before: Do you support Project Democracy? If so, why? If not, why not? What suggestions could you give the committee and the administration for improving this proposal?

And we would very much appreciate your responding to that question.

We have exhausted this subject.

Senator DODD. I think we have. I would just have an addition to one part of your question. That is, I do not know if the four gentlemen were

here when I raised the question about some sort of legislative framework for Project Democracy, and I would ask you to comment on that as well.

In a sense you did, Mr. Richardson, by talking about an earlier effort that apparently did define a framework.

Thank you.

The CHAIRMAN. Senator Pell.

Senator PELL. I think you are talking about section 305, not 304. Section 305 is my amendment, and it is section 305 that the record should show.

Second, in your response to these questions I would also appreciate a comment as to whether you think the exchange programs should come under a charter somewhat along the lines that Senator Fulbright suggested so as to protect them from being politicized, at least to a certain extent. I believe this would have merit. I would be much more interested in your views.

The CHAIRMAN. Thank you very much. We very much appreciate you being with the committee. Thank you.

[Additional questions and answers follow:]

USIA's RESPONSES TO ADDITIONAL QUESTIONS SUBMITTED BY SENATOR PERCY

Question 1. **I understand that the organizations mentioned in the draft of the Democracy Project are for illustration only and haven't yet been selected to be grant recipients. Is this correct?**

Answer. That is correct. The draft which has been circulated contains preliminary program proposals agreed upon by USIA, the Department of State, and USAID, working together with our embassies and missions abroad. Those non-governmental organizations which are mentioned are meant to be indicative of the kind of institution which has the necessary infrastructure, capability and/or experience to carry out the proposed program. Grants under Project Democracy will be awarded in accordance with the procedures of the respective implementing agencies, e.g. Project Democracy grants to be administered by USIA will follow the revised grant procedure recently adopted by USIA's Bureau of Educational and Cultural Affairs.

In the case of grants awarded for enhanced versions of programs now being conducted by core agencies, however, it is likely that proposals submitted by these core agencies will receive favorable consideration. This is because the core agencies have long established competence and expertise in conducting these programs, which commends them as future grant recipients.

Question 2. **Will the availability of grants for specific programs under the Democracy Project be announced in the Federal Register according to the usual procedure?**

Answer. Yes. The steps to be followed in USIA's grant procedure include:

a. Public announcement in the Federal Register of program objectives, or solicitation of specific non-governmental organizations for grant proposals.

b. Review of the grant proposals by the staff of the appropriate internal programming office and the appropriate area office for completeness and consistency with the application guidelines.

c. An internal agency review panel will review grant proposals and recommend those which meet the criteria of quality and legality. Review panel reports will be attached to the proposal file.

d. The Associate Director of the appropriate bureau (either the Bureau of Programs or the Bureau of Educational and Cultural Affairs) will review the grant proposals.

e. The Deputy Director of USIA will approve the grant proposals.

f. In consultation with the General Counsel, the contracts office awards the grants.

Question 3. **The proposed magazine, Communications Impact, to champion—as you put it—free communications, seems to have a name which communicates poorly. I'd suggest that the name be reconsidered since it doesn't give any clear idea of what the magazine would contain.**

Answer. The proposed magazine on communications does not yet have a definitive name. While we are convinced of the need for a magazine which will be an effective forum to explain and further the thrust of U.S. communications policies and foster the principle of free flow of information, we are still in the consultative stage in Washington and with the field as to its specific design, format and contents. A more suitable name for the magazine will be determined through this process.

Question 4. Also I note that you intend to produce 80,000 copies of each issue. To whom would they be sold or given? How will USIA identify 80,000 people overseas who read English, Spanish or French and have an interest in a magazine on communications?

Answer. The audience for the new magazine on communications will be senior and mid-level government officials overseas, especially those managing print media and telecommunications policy; business leaders, both on the producer and the users side of the spectrum; media owners and producers, and those in academe who treat this emerging issue worldwide. The specific recipients will be identified by USIA officers in the field who are giving increased attention to communications and information issues. We do not forsee any major difficulty in our posts rapidly bringing worldwide subscriptions to 80,000. The USIA magazine, Economic Impact, which is published in English and Spanish for a high level government, business and academic audience, is distributed to 64,000 people worldwide. We project that the communications magazine, while aimed at a different audience within those groups and adds the media world, will find similar demand. By adding French, including francophone Africa, we estimate 80,000 will be our circulation.

Question 5. I note that you are asking for $1 million in fiscal year 1983 and $4.4 million in fiscal year 1984 for publishing books abroad. How much did USIA spend last year on book publishing abroad, and how will this proposal be different in character as well as magnitude?

Answer. In fiscal year 1982, USIA spent in round figures $897,000 on book publishing abroad.

The Project Democracy proposal for a Worldwide Book Publishing program represents a significant enhancement of current activity in this field but one that is entirely warranted by the circumstances. No other country approaches the approximately 82 million books for export that the U.S.S.R. publishes in foreign languages annually. Classic titles dealing with the history of democracy, democratic institutions and related areas are sadly lacking in many parts of the world. Even when some texts are available in English, they often go unread due to a lack of English language capability among many critical audiences.

The Project Democracy program would provide a core collection of textbooks and collateral reading on democracy in Arabic, Chinese, French, Portuguese, Spanish, and possibly one or two Eastern European languages, a total of about 2,227,500 copies. Titles selected by USIA's professional librarian and book officer staff would be translated and published by foreign publishers, with our assistance, for commercial sale. The U.S. subsidy would amount to about $2.00 per book.

Under USIA's current publishing program, a number of titles each year deal with democracy, but in general the selection of titles is more broad-based, e.g., arts, science, the environment, foreign policy and security issues as well as the classic literature on democracy.

Question 6. To what do you attribute the skeptical U.S. editorial response to the Democracy Project? If you attribute the response to misunderstanding of USIA's intentions, what have you done to eliminate the misunderstanding, since USIA is expected to be expert in public affairs and press relations?

Answer. The U.S. editorial response to Project Democracy has not been uniformly skeptical. However, a great deal of confusion has arisen in the public mind about the new initiative due to the almost simultaneous announcement of (1) the Administration's new interagency structure for coordinating its international public diplomacy efforts; (2) formation of a public diplomacy review committee headed by Ambassador Peter Dailey to examine our public affairs activities in Western Europe relative to security issues and (3) Project Democracy itself.

Under Secretary of State Lawrence S. Eagleburger attempted to separate these distinct initiatives during a special press conference on Project Democ-

racy last February 7. His assistant Ambassador Gerald Helman and USIA's Associate Director for Programs W. Scott Thompson conducted a subsequent press conference to explain Project Democracy to foreign media representatives at USIA's Foreign Press Center on February 10. USIA Director Wick in recent appearances before three congressional committees has also sought to clarify misconceptions about Project Democracy and portray the program as it really is: A long-term bipartisan effort to strengthen democratic institutions and processes abroad. Finally, USIA's office of Public Liaison has distributed explanatory materials about Project Democracy in response to inquiries from the press and interested public.

Question 7. How many other departments or agencies are involved in Project Democracy? How much of the total 2-year, $85 million package will each department or agency receive? What is the breakout by agency? Why is money for the Departments of State and AID being requested in a USIA authorization bill?

Answer. Project Democracy is an inter-agency effort. A broad cross section of government officials from a number of government agencies, including the State Department, USIA, AID, and the National Security Council, were involved in developing the package of preliminary program proposals.

Programs to be administered by the State Department include:

	Fiscal year—	
	1983	1984
(1) Democracy and free elections: Regional institutes, conferences, and publications	$300,000	$1,700,000
(2) Support for the establishment of an Institute for Democracy for Central America and the Andes	600,000	2,600,000
(3) Asia Foundation proposal	5,000,000	10,000,000
(4) Assistance for Liberia's transition to democracy	800,000	920,000
(5) Support for sending observers to trials of leading proponents of democracy	.....	300,000
(6) Worldwide initiative to support free labor movements: Assistance to democratic trade unions and national labor centers in priority regions and countries [1]	2,500,000	6,000,000
(7) Worldwide initiative to support free labor movements: Assistance to international labor bodies which support democratic trade unions [1]	.....	1,500,000
Total	9,200,000	23,020,000

[1] Moneys initially allocated to the State Department for the worldwide initiative to support free labor movements will most probably be allocated to AID when the preliminary proposals are finalized.

Programs to be administered by AID include:

	Fiscal year—	
	1983	1984
(1) Legislator training	.....	$1,000,000
(2) Citizens action programs	.....	500,000
(3) Inter-American community leaders exchange	.....	500,000
(4) Democracy and the free market economy	.....	500,000
(5) Expansion of Latin American scholarship program of American universities	.....	500,000
(6) Middle East fellowship programs	.....	1,000,000
(7) Central American media program	$100,000	1,000,000
Total	100,000	5,000,000

Neither the State Department nor AID is requesting an increase in position levels to implement Project Democracy programs.

As for your final question, why is money for the Department of State and AID being requested in a USIA authorization bill, the answer is that the Administration made USIA responsible for the entire Project Democracy budget because it believed the Congress would be able to more accurately assess the Project if it were presented in a coherent fashion rather than spread out over the budgets of several agencies and departments. USIA was designated as lead agency because it has the authorities most appropriate to the proposed activities as well as the administrative responsibility for the majority of them.

Question 8. Chairman Percy lobbied long and hard for a separate Office of Personnel within VOA which would serve VOA interests effectively. We are pleased that this Administration established such an office, and we commend you for it. Do you share our belief that this office is serving a good purpose and should be continued?

Answer. Absolutely. The Office of Personnel, Broadcasting, has served to support successfully the unique and pressing needs of the Voice of America and the Agency's Television and Film Service. Its extensive list of credits include properly upgrading a significant number of employees in VOA's language services to ameliorate long-standing negative feelings; promoting technicians who were failing to compete with outside salaries to the point where relay stations were in danger of shutting down; and filling a large number of open positions, most of which had been vacant for many months and even years prior to the establishment of the Office of Personnel. Also, recruiting a professional engineering staff; training of employees; attention to visa and other personal concerns of Foreign Service national employees; and other areas which have been addressed successfully for the first time in VOA's history. The list goes on but the message is the same. The Office of Personnel is serving a very good purpose and should without question be continued.

Question 9. What is the status of new transmitter development for the Voice of America since funds originally appropriated for this purpose were reprogrammed to other priorities? Does the $40 million requested for engineering studies, systems engineering and facilities design anticipate future transmitter development but no new transmitters this year?

Answer. VOA reprogrammed some Sri Lanka and Botswana existing appropriations in order to conduct a system-wide analysis of the overall performance capabilities and requirements of the VOA transmitting system. If we had deferred the start of this analysis to fiscal year 1984 we would have lost even more time in stopping the ongoing deterioration of our ancient plant and in improving the deficient VOA coverage around the world. The recent GAO report states that "The Voice of America should address existing problems to ensure high performance. The management of the Voice of America should aggressively pursue solutions to long-standing problems in order to continue broadcasting successfully." GAO specifically cited a lack of preliminary "front-end" engineering and the absence of long range planning. This failure to perform the preliminary engineering for projects has been the major contributing factor to the numerous stops, starts, changes in plans and individual project reprogramming requests that have characterized VOA projects in recent years.

The analyses constitute an essential initial phase of engineering not heretofore conducted prior to trying to implement specific projects. It applies to all projects, and is thus truly a part of each project. It does not have to be performed separately and repeated project by project. It can be performed effectively on a worldwide basis and merely updated for subsequent projects. Some of the existing appropriations for the Sri Lanka and Botswana implementation projects are combined to fund these early systems analyses. This reprogramming clearly is in accordance with doing the engineering that will correct the past deficiencies observed by the GAO, the NSC, and all others who have noted past problems in VOA Engineering. The output of this work will enable VOA to thoroughly understand exactly what specific redesign is required of the existing worldwide plant, and to confirm new projects that are needed.

Further, these essential preliminary engineering analyses, not performed previously, will add integrity to the original estimates and provide renewed confidence in the successful outcome of these projects. This global analysis will eliminate the stops, starts, and redirections experienced on previous projects and the pay off will accrue to both Sri Lanka and Botswana.

Question 10. Some of us are concerned about reports that VOA may share its transmitter at Marathon, Florida, with Radio Marti. Can you tell us what decision is likely in this matter?

Answer. As you know, there are a number of options for Marti other than use of the Marathon transmitter. A final decision, of course, on whether or not VOA shares its transmitter with Radio Marti lies with Congress and the Administration. It is my personal belief that surrogate broadcasting to Cuba is very much needed, but it would be essential should they share the Marathon transmitter for the VOA and Marti to maintain separate identity, since by law they perform different functions.

Question 11. VOA recently announced expanded religious programming including the broadcasting of church and synagogue services. Can you explain the need for—or desirability of—such broadcasts, to which countries they will be beamed, and how specific services or masses are to be selected?

Answer. Occasional religious programming on Worldwide English reflects the freedom of religion so essential to our nation's heritage. It fulfills our Charter

obligation to reflect the important institutions of our country. When we occasionally broadcast parts of religious services on Worldwide English, we will ensure and maintain a proper balance among the major religions of America. These broadcasts would center around major religious events, the Catholic, Protestant, Jewish, and Orthodox faiths.

In foreign language broadcasts, of course, religious programming has long played an important role in our broadcasts to Eastern bloc nations. We provide religious broadcasts to nations where freedom of religion is inhibited by the State. In Poland, for example, when following the imposition of martial law religious services were removed from Polish state television and radio, we instituted a weekly celebration Mass from a Catholic church in America. And what follows is a summary of the religious programming we do to the U.S.S.R. In addition to recent expansion of the time allotted religious programming (Christian and Jewish) in the Russian language (an increase from 45 minutes to 1 hour and 5 minutes) we plan to do more broadcasts of religious services representing various faiths to the people of the Soviet Union.

The following paragraphs summarize our non-Russian language services' regular religious broadcasts to the Soviet Union.

A. The *Uzbek Service* broadcasts a 15–20 minute religious program every Friday—the Moslem Sabbath—as part of its morning and evening shows. The program includes religious music (which is forbidden in Soviet Uzbekistan), recitations from the Koran, religious news items, and ecumenical backgrounders, as appropriate, on special religious observances.

B. The *Ukrainian Service* broadcasts a 15-minute religious program each Sunday on its evening show. The program is basically Christian in orientation, but includes coverage of major Jewish holidays and news items as well. The basic program includes liturgical and vesper hymns, religious news, and a short talk by Orthodox Priest, Father Bilak, on the most important Christian observances of the week. In addition, the Ukrainian Services' Saturday breakfast show includes 5 minutes of non sectarian religious news. Special broadcasts are done on an ad hoc basis to commemorate major Christian and Jewish festivals.

C. The *Georgian Service* does an 8-minute religious program every Sunday. It regularly includes religious news, music, and non-denominational features. In celebration of Georgian High Holidays (Christmas, Easter, etc.), the Service does special programs, usually consisting of excerpts of masses performed at the major Georgian church in Paris. Ad hoc coverage of major Jewish and Moslem festivals is included whenever appropriate.

D. The *Armenian Service* does a religious broadcast each Sunday, which varies in length from 7 to 18 minutes depending upon content. The bulk of the program consists of Armenian Church music followed by all-denominational religious news. In the past, an Armenian priest read spiritually-oriented messages on the air, but this feature has been discontinued.

E. The *Azerbaijani Service* presently does not have a regular religious program. Since its inception 8 months ago, the Azerbaijani Service did one special religious program to observe the beginning of the Islamic Festival of Ramadan. In future, we plan to have the Azerbaijani Service utilize several minutes of the Uzbek weekly religious broadcast on its regular Friday program.

This broadcasting is consistent with the long tradition of public service broadcasting of religious services in this country.

Question 12. I note that you are planning to initiate a 30-minute daily broadcast in Albanian. I presume that this broadcast is basically directed to Albania, but I wonder if it will also be heard by the large Albanian population in Kossovo, Yugoslavia. The Committee would appreciate a report in writing about the planning for the Albanian broadcasts.

Answer. VOA proposes to add a 30-minute morning program in Albanian to complement the two existing half-hour programs broadcast during evening hours. The morning program would contain primarily news, correspondent reports, background reports, and editorials.

VOA Albanian-language broadcasts are intended for listeners in Albania. They can also be heard and understood, however, by ethnic Albanians living in Yugoslavia.

Question 13. I am pleased to see that the Administration has decided to ask for funds for the Asia Foundation in its FY 1984 request. Can you tell us exactly how you contemplate working with the Foundation? Could this involvement circumscribe its independence and freedom of action?

Answer. The Asia Foundation will be administered by the Department which I understand to be a close and productive one—one which will not circumscribe the independence of the Foundation.

Question 14. I have heard informally that the Administration views The Asia Foundation as the "flagship" or "centerpiece" of its new program in Asia. Is this true and, if so, how do you propose to implement the program through the Foundation? How will it be managed? Will the Foundation's flexibility be reduced?

Answer. Early on in the development of this Project, we recognized that there were existing organizations which were very ably conducting activities that would contribute to the objectives of fostering development of democratic institutions and increasing understanding of our own democratic system. The Asia Foundation is such an organization. Its experience, its knowledge of the area, and the confidence in its work by Asian nations and the U.S. Government put it in a special category. We, therefore, decided that an expansion of The Asia Foundation's programs would be the most appropriate way of implementing many aspects of this project in Asia. The Asia Foundation produced a well thought out proposal for use of additional funding which we hope to see implemented. There are, of course, a number of other programs in Project Democracy which will support activities in Asia. The Asia Foundation itself will select and conduct its programs as in the past. There will be no reduction in The Asia Foundation's flexibility.

Question 15. When the Foundation has received grants in the past from AID, ICA or USIA, there has been a tendency to narrow the Foundation's focus—perhaps understandably—to serve the unique purpose of those agencies. Will this happen again and, thereby, perhaps reduce the effectiveness of the Foundation?

Answer. The Asia Foundation program under Project Democracy will be administered by the Department of State in the same manner as in the past few years. We and, we believe, The Asia Foundation think that this arrangement has not reduced the effectiveness of the Foundation.

Question 16. What do you see as the role of the Congress in overseeing the implementation of the program (FYI: the Special Planning Group, which will have overall planning responsibility, will include as members Judge Clark, Robert McFarlane and David Gergen of the White House Staff who do not appear before the Congress. Other members of the group are Senate-confirmed appointees).

Answer. The Department of State, as administering agency, and USIA, lead agency for Project Democracy, will be responsible to Congress for The Asia Foundation program.

Question 17. I understand that you recommend that your request for $10 million be appropriated to your Agency, USIA, then passed to the State Department. I am curious as to why this indirect routing was recommended—can you shed any light on this? Why should the funds not be appropriated to the State Department directly?

Answer. The programs in Project Democracy, whether they are new or an expansion of current programs, are all part of the single initiative—to enhance the long-term capability of the United States to help foster the development of democracy and democratic institutions abroad. They serve a common purpose, and we believe this should be clearly highlighted as they are reviewed in the budget process of both the Administration and the Congress. We therefore chose to put them together into the budget of a single agency. We also decided to try not to interrupt a good working relationship between another agency and a recipient organization. For this reason, we decided to continue to have The Asia Foundation program managed by State.

Question 18. The Foundation enjoys a reputation for independence from the U.S. Government and for being above the political fray. Its effectiveness depends to some degree on this reputation. Is the Foundation liable to become politically involved by virtue of being included in Project Democracy?

Answer. Since The Asia Foundation's objectives and relationship with the U.S. Government will remain the same, we do not anticipate any substantial effect on The Asia Foundation's reputation for independence and objectivity.

Question 19. This Committee and others (Appropriations and Foreign Affairs) have asked that the Administration come up with a long range solution to the

Foundation's perennial funding problems. Why has this not been done or is the recommendation you are making the long range solution?

Answer. We have placed great emphasis on our intention that the programs contained in Project Democracy will be part of a long-term effort by the United States which will entail the close cooperation of government and non-governmental organizations. The Asia Foundation receives a very high priority is this effort. It is an unusually effective organization with a proven record and great credibility in the area in which it operates. It is our intention that it will continue to be funded at at least the proposed level for the indefinite future, subject of course to appropriate review by the Administration and Congress and adequate appropriation of funds by the Congress.

USIA's Responses to Additional Questions Submitted By Senator Pell

Question 1. How were participants in the Mid-America Committee Latin America press spokesmen project selected?

Answer. The participants in the Mid-America Committee project were nominated by USIS posts overseas and approved by the Latin American area office.

Question 2. Did the Mid-America Committee, or Mr. Ian MacKenzie, propose any governments, individuals, or types of persons for inclusion in the project? If so, please explain.

Answer. Mr. MacKenzie did suggest one individual as a possible participant in the government press spokesmen project. The USIS post in Guatemala was queried as to the suitability of this individual as a candidate for the project. USIS Guatemala decided to nominate the individual as a participant in the project. The nomination was approved by the Latin American area office.

Question 3. Was the Latin American press spokesmen project initiated by USIA, the Mid-America Committee or Mr. MacKenzie? Please explain, in detail, how the project was initiated.

Answer. Project proposal was initiated by the Mid-America Committee. In late August, Tom Miner, President of Mid-America Committee, contacted the Office of Private Sector Programs to determine proper method for applying for grant. Subsequently, the Mid-America Committee submitted several proposals to the Office of Private Sector Programs, including the two government press spokesmen projects.

Question 4. Did USIA—or anyone employed by USIA—contact or speak with the Mid-America Committee or Mr. Ian MacKenzie prior to an expression of interest by the Mid-America Committee or Mr. MacKenzie?

Answer. A number of individuals at USIA spoke with Mr. Miner, President of the Mid-America Committee, concerning the work of the Office of Private Sector Programs at USIA, its grant activities, and the general orientation of its goals in serving Area Office and Agency objectives, but did not solicit a specific grant proposal from the Mid-America Committee.

Question 5. The program team for the Mid-America grant was headed by Mr. Ian MacKenzie and the MacKenzie McCheyne public relations firm.

Answer. The program team was headed by the staff of the Mid-America Committee, the USIA grant recipient, and not Mr. MacKenzie.

Question 6. Has USIA ever used a public relations firm to run, or consult on, any other private sector grant or any other Fulbright-Hays grant? If so, please give details.

Answer. The Office of Private Sector Programs only awards grants in support of non-profit activities. Mr. MacKenzie, not the firm of MacKenzie McCheyne, served as a consultant to the Mid-America Committee.

Question 7. At the time the Mid-America grant was awarded, and at the time the Latin American press spokesmen project was undertaken, Mr. MacKenzie was a registered foreign agent for the Government of Haiti. His previous clients include other governments. Has USIA ever used a registered foreign agent in connection with any other private sector grant or any other Fulbright-Hays grant? If so, please give details.

Answer. The Office of Private Sector Programs grant was awarded to the Mid-America Committee, not Mr. MacKenzie, who, to our knowledge is not an active foreign agent.

Question 8. The application for the Mid-America grant lists a number of foreign governments as Mr. MacKenzie's past and present clients. Why was the Government of Haiti omitted from his list?

Answer. Mr. MacKenzie's curriculum vitae did not list as current clients any foreign governments. Mr. MacKenzie's curriculum vitae was provided by the Mid-America Committee and USIA is unable to account for the omission of the Government of Haiti as a former client of Mr. MacKenzie.

Question 9. At the time the Mid-America Committee grant was awarded and at the time the Latin American press spokesmen project began, Mr. MacKenzie was under contract to the Government of Haiti for "media relations and national image promotion services." The USIA grant proposed to assist participants, including two representatives of the Government of Haiti in "media relations and overall information preparation and distribution."

(a) Do Mr. MacKenzie's activities constitute a conflict-of-interest?

(b) What ethical and legal guidelines govern such a situation?

(c) Does USIA consider it appropriate for a grant recipient to be simultaneously under a contract to a foreign government at the same time he is dealing with that government under a USIA contract in the same area as the foreign government contract?

Answer. U.S. Government rules and regulations governing the use of consultants, advisory boards, individual advisors, et al., do not apply to grantee organizations. Mr. MacKenzie was not awarded a grant by the Office of Private Sector Programs. The Office of Private Sector Programs awarded a grant to the Mid-America Committee.

Question 10. Was USIA aware of Mr. MacKenzie's position as a registered foreign agent at the time the grant was awarded?

Answer. Mr. MacKenzie's curriculum vitae was provided by the Mid-America Committee and did not list any current relationship with a foreign government.

Question 11. How much was Mr. MacKenzie paid for his services under the Mid-America Committee grant?

Answer. The USIA grant with the Mid-America Committee provided $6,000 for consultants.

Question 12. In a three page "questions and answers" paper on the Mid-America grant, distributed to congressional staff by ECA Director, Ronald Trowbridge, the lack of balance in Capitol Hill appointments is explained as follows: "Several attempts were made to set up appointments with a variety of leading congressional figures. Unfortunately, Congress was out of session and only Senator Helms' office was able to meet the Mid-America Committee's request."

(a) What other offices were contacted for appointments?

(b) On the date that the Mid-America groups met with Senator Helms' aide (December 1, 1982) Congress was in session. How do you explain this apparent discrepancy?

Answer. The Mid-America Committee contacted the offices of both Republican and Democratic members of the Senate Foreign Relations Committee and the House Foreign Affairs Committee seeking appointments for the participants in the Latin American press spokesmen project. The Mid-America Committee sought bi-partisan representation to speak to the project participants. However, the requests for congressional appointments were made during the period prior to the convening of the "lame-duck" session, and only Senator Helms' office was willing at that time to make a firm commitment to meet with the Latin American government press spokesmen group.

Question 13. What guidelines and criteria were used to award grants in the private sector program in FY 1982? Did the guidelines incorporate the authorities of the Fulbright-Hayes Act and the statutory mandate that the scholarly integrity and non-political character of the programs be maintained? Would you submit the guidelines in effect in FY 1982 for the record?

Answer. See the following attachments:

Federal Register announcement, dated July 22, 1983 (A); Brochure describing Private Sector Grants Procedure (B); Project Proposal Information and Procedures (C); Grant Evaluation Process (D).

Question 14. Would you explain how grants to the Ethics and Public Policy Center and the Mid-America Committee meet these guidelines?

Answer. See attachment (E).

[ATTACHMENT A]

[Reprinted from the Federal Register]

INTERNATIONAL COMMUNICATION AGENCY

SELECTIVE ASSISTANCE, ENCOURAGEMENT, AND LIMITED GRANT SUPPORT TO NONPROFIT ACTIVITIES OF U.S. ORGANIZATIONS OUTSIDE FEDERAL GOVERNMENT

The International Communication Agency (USICA) announces a program of selective assistance, encouragement, and limited grant support to non-profit activities of United States organizations outside the Federal Government.

The primary purpose of the program is to enhance the achievement of the Agency's international public diplomacy goals and objectives by stimulating and encouraging increased private sector commitment, activity, and resources.

Private sector organizations interested in working cooperatively with USICA are invited to consult on the development of international exchange program concepts within the following thematic areas:

1. U.S. Political/Security Policies.
2. Freedom and Democracy in the 1980's.
3. The U.S. Economy and the World Economic System.
4. Meeting the Challenges of Science and Technology in the 1980's.
5. American Society in a Changing World.
6. The Arts and Humanities in America.

Emphasis during the consultative process will be on the identification of organizations whose goals and objectives most clearly complement or coincide with those of USICA, that are interested in and competent to address program concepts within the listed thematic areas and that have substantial potential for obtaining funding in addition to USICA support.

This is not a solicitation for grant proposals. After consultation, selected organizations will be invited to prepare proposals for the limited financial assistance available.

For further information, organizations interested in participating in this process should contact the Office of Private Sector Programs, Associate Directorate for Educational and Cultural Affairs, International Communication Agency, Washington, D.C. 20547 or call (202) 632-5323.

Dated: July 22, 1982.

CHARLES Z. WICK,
Director.

ATTACHMENT B

A GRANTS PROGRAM FOR PRIVATE ORGANIZATIONS

IN SUPPORT OF INTERNATIONAL EDUCATIONAL AND CULTURAL ACTIVITIES

* * * * * * * * * * *

OFFICE
OF
PRIVATE SECTOR PROGRAMS
BUREAU OF
EDUCATIONAL AND CULTURAL AFFAIRS
UNITED STATES INFORMATION AGENCY

USIA

PURPOSE

The Office of Private Sector Programs is responsible for developing cooperative projects with private sector institutions to support, complement and enhance the goals and objectives of the United States Information Agency. These projects are designed to promote a better understanding of the United States abroad by means of educational and cultural exchange between Americans and citizens of other nations.

The Office of Private Sector Programs may provide selective assistance, encouragement, and grant support to nonprofit activities of U.S. organizations and institutions that satisfy this purpose, with special emphasis on international educational and cultural exchanges.

LEGISLATIVE AUTHORITY

Funding for this program is authorized by the Mutual Educational and Cultural Exchange Act of 1961, as amended.

GUIDELINES

Projects proposed for grant support should be designed to increase mutual understanding between the people of the U.S. and other countries, and strengthen the ties which unite our societies. The project should include an international people-to-people exchange component and clearly support mutually reinforcing activities designed to have a lasting impact on the participants. When appropriate, the project may promote U.S. participation in international events relevant to the mission of the Agency.

Proposals for grant assistance are considered for nonprofit projects undertaken by U.S. organizations. Requests for grant support to projects that are basically scholarly in purpose should be directed to USIA's Office of Academic Programs, not to the Office of Private Sector Programs.

USIA grant assistance will normally constitute only a portion of total project funding. Proposals should list other anticipated sources of support – both financial and in-kind. The project should be completed during the duration of the grant, which does not normally exceed one year.

USIA grant assistance is designed to support specific program activities. Grant requests may include rea-

sonable and necessary administrative costs integrally related to those program activities. In most cases, grants are not awarded for general financial support.

Grants are not ordinarily given to projects that are essentially research in nature, or primarily to fund publications.

Grants are not assigned to projects designed to advocate the policy views or positions of foreign governments, nor the views of a particular political faction (as distinguished from projects designed to enhance understanding abroad of one or more aspects of American society).

PROCEDURES

The USIA fiscal year is from October 1 through September 30. Grant propoals are reviewed periodically (at least every 45 days) by a USIA panel and should be submitted in written form at least two months prior to a panel meeting to be eligible for consideration. Inquiries are welcome prior to submission of formal applications.

Initial proposals should be limited to a concept paper of not more than five typewritten pages, including the following information (if additional information is required an Agency officer will contact the person in charge of the project):

- ☐ The name of the organization; its aims, general program, and experience with international exchanges.
- ☐ Names, titles, addresses, and telephone numbers of the executive officer(s) of the organizatcn and of the person directly responsible for the project.
- ☐ A brief statement of what the project is designed to accomplish; how it is consistent with the purpose of the grant program and in particular, how it relates to USIA's mission.
- ☐ A concise but complete description of the project, spelling out who the participants will be, where they will come from, and how they will be selected.
- ☐ A statement of what follow-up measures are proposed, how impact will be measured, and what groups, beyond the direct participants, will benefit from the project. How will they benefit?

ATTACHMENTS

Along with your proposal, please include the following:

- ☐ *A detailed budget, giving a breakdown of project costs and listing separately the amount of the requested grant, as well as the sources and amounts of other funding. The budget should be endorsed by your organization's budget or contract officer.*
- ☐ *Brochures and general information on your organization, including your number of employees, the names of your board members (or similar group) and your sources of support and major contributors.*
- ☐ *A statement of tax-exempt status and/or letters of incorporation.*
- ☐ *An indication of other Federal Government grants which your organization has received.*
- ☐ *A statement ascertaining the capability of your organization to generate nongovernmental funding for the project.*
- ☐ *The name and title of the individual(s) authorized to commit the organization to participate in the project.*

* * * * * * * * * *

Inquiries should be addressed to:

Office of Private Sector Programs
Bureau of Educational and Cultural Affairs
United States Information Agency
400 C Street, S.W.
Washington, D.C. 20547

(202) 485-7348

20-612 O - 83 - 5

[ATTACHMENT C]

[U.S. Information Agency, Office of Private Sector Programs, Washington, D.C.]

PROJECT PROPOSAL INFORMATION AND PROCEDURES

The USIA fiscal year runs from October 1 to September 30. Proposals are reviewed periodically (at least every 45 days), by a USIA panel and should be submitted in written form at least two months before a panel meeting to be eligible for consideration. Applicants should allow six months between the date of application and the commencement of the proposed project. Initial proposals should be limited to a concept paper of not more than five pages and must include the information outlined below.

1. Full title of proposal.
2. Amount of funds requested.
3. Principal officers who will administer the grant, their titles, and telephone.
4. Other non-USIA sources of funding, the amount of their contributions, and the percentage of the total cost that those contributions will make.
5. Which aspects of the proposal will USIA funds be used for, if applicable?
6. Project description: Please briefly describe what the project is designed to accomplish, how it is consistent with the purpose of the USIA grant program, and how it relates to USIA themes. Who will the participants be, where will they come from, and how will they be selected? (If any American speakers have been selected, please give their names). Finally, outline follow-up plans, including how the impact of the project will be measured, as well as what groups will benefit from the project (and how)?
7. Give proposed program dates; give suggested dates for the onset period of the grant. (A grant will normally be awarded that allows adequate time to prepare for the project and that expires 30–60 days following the end of the project.)

BUDGET FOR PROJECT PROPOSAL

Please furnish a detailed budget for the program and include the following:

PROGRAM EXPENSES

8. International and domestic travel costs for both American and foreign participants. Participants must travel by coach fare and must travel by American flag carriers whenever possible.
9. Per diem and other allowances (USIA Program Officer can advise you on limits).
10. Lecture fees, honoraria, speaker fees, etc., must be justified (USIA Program Officer can advise you on limits).
11. Escorts/interpreters, when required, should have their travel, per diem and salary outlined. (The USIA Program Officer can advise you on contract Department of State interpreters.)

ADMINISTRATIVE EXPENSES

12. Detailed staff requirements need to be a part of the budget submission; i.e. number of positions, title, salary levels, benefits. How were staff needs established? Are functions and responsibilities on the staff for the proposed project clearly spelled out; e.g., percentage of time charged to grant, at what rate? This applies to all salaried staff (including secretarial) and consultants.
13. Staff level.
14. Communications (telephone, telegraph); postage, office supplies; and copying/printing.

INDIRECT COSTS

15. Please specify if indirect cost rate is approved ("audited" by the U.S. Government) or "provisional" (not yet subjected to Government audit).
16. Please indicate how rate is applied—direct administrative expenses, all direct costs, salaries and wages only, etc.
17. Indirect cost rate may be substituted for an itemized projection of all direct administrative costs. This is often required of organizations that do not have audited overhead rates.

NOTE.—USIA does not pay for the following:

The publication of materials for distribution in the United States.

Administration of a program that will make a profit.

Expenses incurred before or after the specified dates of the grant.

Projects designed to advocate the policy views or positions of foreign governments, or the views of a particular political faction.

Entertainment expenses, nor unexpected costs, including salary increases, increased airfares or other inflationary factors.

Finally, please include:

(A) A statement of your tax-exempt status and letters of incorporation.

(B) An indication of other Federal grants which your organization has applied for or will receive for this project.

(C) The name and title of the individual(s) authorized to commit the organization to participate in the project.

[ATTACHMENT D]

GRANT EVALUATION PROCESS—OFFICE OF PRIVATE SECTOR PROGRAMS

1. Federal Register Announcement (once a year).

2. Geographic areas should indicate any program priorities and/or submit specific proposals that P should carefully consider. Also P and other elements of E, and of course D, are encouraged to submit project ideas.

3. Applicant submits the following: (See attachment)

a. One-page statement on idea, purpose, international value.

b. One-page explanation of organization.

c. Prospects of raising funds other than Federal for the project.

4. All written applications and all written inquiries logged, citing the following information:

a. Date submitted.

b. Organization.

c. One-line statement of proposal idea.

d. Amount requested.

e. Decision deadline.

Photocopies of all logged entries are to be given to the Director of E/P.

5. Deputy Director of E/P and the Grants Division Chief evaluate entries presented by Program Officer, with his/her recommendation.

6. Director of P's recommendation, utilizing advice of Deputy Director, Division Chief and Program Officer: To either solicit full proposal or to deny application.

7. Program Officer consults with applicant and solicits full proposal, or advises applicant that entry was not selected for funding. (Solicitation of full proposal does not necessarily mean final approval.)

8. Deputy Director of P's evaluation committee, in cooperation with PPE, Geographic Areas and X, reviews project and submits recommendations to Director of P.

9. Director of P's recommendation to Grant Review Panel for final project disposition.

10. Grant Review Panel recommendation. The Grant Review Panel will consist of:

Grant Evaluator (E)—Judy Siegel

Executive Director (E/X)—Thomas Leydon

Director, Office of International Visitors (E/V)—Robert Schadler

Director, Office of Private Sector Programs (E/P)—Robert Reilly

Policy Application and Coordination Officer (P/PACO)—Csaba Chikes

Advisors: General Counsel's Office (GC); Geographic Area Liaison Officer, as appropriate.

11. Approval/Disapproval by Associate Director of E.

12. Selected review by Director or Deputy Director.

Among the factors considered when reviewing both unsolicited as well as solicited grant applications from private sector organizations whose goals and objectives complement or coincide with those of USIA are:

(1) A demonstrated interest and/or competence in the area considered;

(2) the degree to which there is potential for cooperative funding;
(3) an assessment of the administrative competency of the organization;
(4) a demonstrated track record and/or reputation in the field;
(5) determination of the degree to which the organization has potential for successful implementation of the project;
(6) the levels and types of U.S. and foreign participants in the program; and
(7) the follow-on impact of the program and extent to which it reaches beyond the participants themselves.

The only criteria used in determining individual participation is that the private sector organization receiving a USIA grant ensures se'ection of participants on a bi-partisan basis (e.g. National Governors Association, National Association of State Legislatures, etc.).

[ATTACHMENT E]

QUESTION ON PRIVATE SECTOR GRANTS

Question. Would you explain how grants to the Ethics and Public Policy Center and the Mid-America Committee meet these guidelines?

Answer. The four documents which are attached in response to question 14 clarify the criteria, guidelines and process for the appropriate formating, evaluation and awarding of private sector grants. These procedures were followed in their entirety in the awarding of grants to the Ethics and Public Policy Center and the Mid-America Committee.

Each organization submitting an inquiry receives an acknowledgement letter with three enclosures: a reprint of the Federal Register listing the thematic areas for proposals; a brochure outlining the purpose of the private sector program, legislative authority (Mutual Educational and Cultural Exchange Act of 1961 as amended), and guidelines; and a list of procedures.

Both the Ethics and Public Policy Center and the Mid-America Committee final proposals met these guidelines. For example, each was designed to "increase mutual understanding between the people of the U.S. and other countries." Both project proposals included an "international people-to-people exchange component." The proposals focused on exchanges of American and foreign leaders, and were professional in purpose and content.

Both organizations were informed of USIA's preference for jointly funded activities; and that the duration of grants is usually one year or less. The Office of the Budget (Educational and Cultural Affairs) evaluated and reduced the initial budget submissions. Both organizations were informed that their proposals could include "reasonable and necessary administrative costs integrally related to program activities."

Both organizations were also informed that Private Sector grants are not generally assigned to projects which are "essentially research" oriented.

Finally, USIA's policy that grants are "not assigned to projects designed to advocate policy views or positions of foreign governments, nor the views of a particular political faction," was clearly stated. These organizations were also aware that their programs could and should "enhance understanding abroad of one or more aspects of American society.

The Private Sector evaluation process for each of these grants is outlined in response to other questions.

Question 15. One of the largest grants awarded in the Private Sector Program ($428,000) in FY 1982 went to the Claremont Institute. The Claremont Institute was, at the time the grant was awarded, 2 years old and, according to its secretary, had been relatively inactive in its first year. Its staff consisted of a handful of graduate students and recent Ph.D's and it had never received government funding. What gave USIA the confidence that the Claremont Institute could effectively carry out a program of this size?

Answer. The first grant given to the Claremont Institute was in April 1982 for $75,000 for one seminar in American Studies for European participants in the Summer of 1982. The second grant was awarded in September 1982, after the first seminar was extensively evaluated by three USIA officials and, at the request of the Grant Review Panel, an outside evaluator, the president of the University of Dallas, Dr. Robert Sasseen. The awarding of the second grant for

$353,427 to hold three seminars was made in a contract in which the program's continuation is contingent upon a successful evaluation of each of the three seminars separately. All evaluations, including those by the participants, led us to believe the seminar was an overwhelming success; something the Agency should continue to fund.

Question 16. The Claremont Institute grant proposed to teach American studies to foreign participants. In its grant application it said: "I can say that during their stay they will be steeped in the American political and cultural tradition. They will read speeches and essays by: James Madison, Alexander Hamilton, John Adams, Abraham Lincoln, Alfred Mahan, Theodore Roosevelt, and Calvin Coolidge, among others." Do you believe this is a balanced and representative list of those who have contributed to American political tradition and culture? Did Democratic Presidents such as Thomas Jefferson, Andrew Jackson, Woodrow Wilson or Franklin Roosevelt have anything important to contribute to American political tradition and culture?

Answer. The partial list of readings listed in question 16 is taken from a May 17 1982 letter from Claremont President Peter Schramm to Bob Reilly, Director of the Office of Private Sector Programs, providing USIA with more information about the seminar. This phrase was neither used in the grant application or the program brochure. In any event, it is not intended to be taken as a full list of the readings for the program.

A full list of the readings is attached. You will notice it includes substantial works of Jefferson, Wilson, Kennedy, George Kennan, Arthur Schlesinger, Jimmy Carter, Ronald Steel and Frederick Douglass.

INTERNATIONAL SEMINAR IN AMERICAN STUDIES, SUMMER 1982—AMERICAN CULTURE

COURSE READINGS

Sessions

I. Introduction: Liberalism Republicanism & Christianity.—Jonathan Edwards, "Sinners in the Hands of an Angry God"; Tom Paine, "Common Sense" (excerpts); John Quincy Adams, "Lectures on Rhetoric and Oratory" (excerpts); "Mayflower Compact"; Thomas Jefferson, "Report of the Commissioners for the University of Virginia" (excerpt).

II. Liberal Republicanism.—Thomas Jefferson, "First Inaugural"; Letter to Adams; James Madison, "Memorial & Remonstrance".

III. Economics and American Character.—Alexis de Tocqueville, "Democracy in America," V. II, Part II, chps. 2, 5, 8, 10.

IV. Religion in America.—Alexis de Tocqueville, "Democracy in America," V. II, Part II, chps. 12, 13, 15.

V. Reform.—Horace Greeley, "Reforms and Reformers" (excerpt); William Lloyd Garrison, excerpt from the "Liberator".

VI. Religion & Capitalism.—Walter Rauschenbusch, "Christianity & the Social Crisis" (excerpts).

VII. The Critique of Reform.—Abraham Lincoln, "Temperance Address".

VIII. The Revolutionary Heritage: Civil Religion I.—Abraham Lincoln, "Lyceum Speech", "Gettysburg Address", and "Second Inaugural Address"; Julia Ward Howe, "Battle Hymn of the Republic".

IX. The Revolutionary Heritage: Civil Religion II.—Horace Bushnell, "Reverses Needed"; Henry Ward Beecher, "Moral Theory of Civil Liberty".

X. The New Religion.—Dorothy Ross, "G. Stanley Hall: The Psychologist as Prophet" (excerpts); Minot J. Savage, "My Religious Experience".

XI. The New Politics.—Oliver Wendell Holmes, "Natural Law"; Woodrow Wilson, "What is Progress".

XII. Civil Religion.—Jerry Falwell, "God Bless America"; "Disarmament Program", The Riverside Church.

INTERNATIONAL SEMINAR IN AMERICAN STUDIES, JANUARY 1983—AMERICAN FOREIGN POLICY

COURSE READINGS

[Instructor, Dr. Patrick Garrity]

Sessions

I. December 28: Introduction/Foundations of United States Foreign Policy, George F. Kennan, "American Diplomacy, 1900–1950".

II. December 29: The World Wars.—Theodore Roosevelt, "Uncle Sam's Only Friend is Uncle Sam" in *Fear God and Take Your Own Part* (New York: George H. Doran Company, 1916), pp. 205–30. Woodrow Wilson, "Address Submitting Treaty of Peace with Germany to the Senate," Congressional Record 58 (66th Congress, 1st session), July 10, 1919, pp. 2336–9. Mark C. Watson, Chief of Staff: Prewar Plans and Preparations (Washington, D.C.: U.S. Government Printing Office) excerpts. Nicholas John Spykman, "America's Strategy in World Politics" (New York: Harcourt, Brace and Company, 1942) excerpts.

III. December 31: The Cold War.—George Kennan, "The Sources of Soviet Conduct," Foreign Affairs 25 (July 1947): 566–82. "The Report by the Secretaries of State and Defense on 'United States Objectives and Programs for National Security,' April 7, 1950." [NSC–68] Reprinted in Naval War College Review 27 (May–June 1975): 51–108. Arthur M. Schlesinger, Jr., "The Alliance for Progress," in "A Thousand Days" (Boston: Houghton Mifflin Company, 1965), pp. 186–205.

IV. January 3: Détente.—Henry Kissinger, "Détente: What Was It?" in "Years of Upheaval" (Boston: Little, Brown and Company, 1982) pp. 235–46. Richard Pipes, "Détente: Moscow's View," in U.S.-Soviet Relations in the Era of Détente, Boulder, Colorado: Westview Press, 1981), pp. 63–106. Speeches by President Jimmy Carter, et al., commemorating the 30th anniversary of the Universal Declaration of Human Rights, December 6, 1978. Printed in Department of State Bulletin, January 1979 pp. 1–6.

V. January 5: The Foreign Policy of the Reagan Administration.—Jeane Kirkpatrick, "Dictatorships and Double Standards," Commentary (November 1979): 34–35. Clarence A. Robinson, Jr., "Strategy Keys Military Plans to Policies," Aviation Week & Space Technology (19 July 1982): 113–5. Irving Kristol, "Reconstructing NATO: A New Role for Europe," Wall Street Journal (12 August 1982). Ronald Steel, "Ending the American Protectorate of Europe," Harper's Magazine (July 1982): 10–14.

VI. January 7: Nuclear Weapons and the Foreign Policy of the United States.—Guest Lecturer: Dr. Steve Maaranen, McGeorge Bundy, George F. Kennan, Robert S. McNamara, and Gerard Smith, "Nuclear Weapons and the Atlantic Alliance," Foreign Affairs 60 (Spring 1982): 753–68. Richard Pipes, "Why the Soviet Union Thinks It Could Fight and Win a Nuclear War," Commentary (July 1977): 21–34. Special Topic: Terrorism, Guest Speaker: Dr. Angelo Codevilla. Claire Sterling, "The Terror Network" (New York: Reader's Digest Press, 1981), pp. 286–309.

VII. January 10: Evaluating the Soviet Geopolitical Threat.—"The United States and the Soviet Union.' The Military Balance 1982–1983 (London: International Institute for Strategic Studies, 1982). pp. 3–17.

January 11: Special Topic: The Defense of NATO.—Guest Speaker: Dr. Harold W. Rood. Harold W. Rood, "Kingdoms of the Blind" (Durham, North Carolina: Carolina Academic Press, 1980). "NATO and the Warsaw Pact: Force comparisons," Published by NATO. Summer 1982. Colin S. Gray, "NATO's Nuclear Strategy," Policy Review (Fall 1982): 97–118.

VIII. January 12: The Armed Forces of the United States.—Deborah Shapley, "The Army's New Fighting Doctrine," New York Times Magazine (28 November 1982): 29–37. Stansfield Turner and George Thibault, "Preparing for the Unexpected: The Need for a New Military Strategy," Foreign Affairs (Fall 1982): 122–50.

IX. January 14: The United States and Latin America.—Readings: To be announced.

INTERNATIONAL SEMINAR AMERICAN STUDIES, SUMMER 1982—AMERICAN FOREIGN POLICY

COURSE READINGS

Sessions

I. Introduction: Foundations of American Foreign Policy.—George F. Kennan, "American Diplomacy, 1900–1950".

II. World War I and the Versailles Treaty.—Theodore Roosevelt, "Uncle Sam's Only Friend is Uncle Sam". Henry Cabot Lodge, Speech on the Treaty of Peace with Germany in the Senate (Feb. 28, 1919). Woodrow Wilson, Address Submitting Treaty of Peace with Germany to the Senate (July 10, 1919).

III. Isolationism and Internationalism, 1921–1941.—Mark C. Watson, "Chief of Staff: Prewar Plans and Preparations" (excerpts). Nathaniel Peffer, "Omens in the Far East".

IV. World War II and the Origins of the Cold War.—George F. Kennan, "The Sources of Soviet Conduct". Edward N. Luttwak, "The Strange Case of George F. Kennan". Nicholas John Spykman, "America's Strategy in World Politics" (excerpts).

V. The Cold War and NATO.—"The Report by the Secretaries of State and Defense on 'United States Objectives and Programs for National Security,' April 7, 1950."

VI. Détente.—Henry Kissinger, "Détente: What Was It?" Richard Pipes, "Détente: Moscow's View".

VII. Evaluating the Soviet Geopolitical Threat to the West.—Harold W. Rood, "Kingdoms of the Blind'.

VIII. The Armed Forces of the United States.—"The Military Balance, 1981–1982".

IX. The Foreign Policy of the Reagan Administration.—To be announced.

X. American Nuclear Strategy.—McGeorge Bundy, George F. Kennan, Robert S. McNamara, and Gerard Smith, "Nuclear Weapons and the Atlantic Alliance". "Why the Soviet Union Thinks It Could Fight and Win a Nuclear War".

XI. Human Rights and American Foreign Policy.—Washington's Farewell Address. Alfred Thayer Mahan, "The United States Looking Outward".

XII. The United States and Europe.—Ronald Steel, "Ending the American Protectorate of Europe".

INTERNATIONAL SEMINAR IN AMERICAN STUDIES, SUMMER 1982—AMERICAN POLITICAL PRINCIPLES AND INSTITUTIONS

COURSE READINGS

Sessions

I. Equality and the Declaration of Independence: Declaration of Independence; John Locke, Second Treatise (excerpts); Harry V. Jaffa, "What is Equality," from "The Conditions of Freedom".

II. The Constitution and the Large Republic: The Constitution; Federalist No. 1, 9, 10, 11.

III. Separation of Powers and Political Leadership: Federalist No. 37, 47–51; Woodrow Wilson, excerpts from writings; John Kennedy, National Press Club Speech, Jan. 14, 1960.

IV. Federalism: Federalist No. 23, 39; "Democracy in America", Vol. I, Part 1, chp. 5 (61–70, 87–98); Jefferson, excerpts from writings.

V. Representation and Political Parties: Federalist No. 35; *Wesberry* v. *Sanders*, *Reynolds* v. *Simms*; "Democracy in America," Vol. I, Part 2, chp. 2 (174–79).

VI. Slavery and Its Aftermath: Herbert Storing, "The Constitution and Slavery"; Abraham Lincoln, selections from speeches; *University of California* v. *Bakke*.

VII. The Courts and the Constitution: Federalist No. 78; "Democracy in America," Vol. I, Part 1, chp. 6 (99–105); "Interview with Justice Powell"; *Steelworkers* v. *Weber*.

VIII. Liberty and the Bill of Rights: Constitutional Amendments Nos. 1–10, 14; "Democracy in America," Vol. I, Part 1, Chap. 2, 3; Vol. I, Part 2, chp. 3, 4, 5, 6, 7 (216–267).

INTERNATIONAL SEMINAR IN AMERICAN STUDIES, JANUARY 1983—AMERICAN POLITICAL INSTITUTIONS

COURSE READINGS

[Instructor, Dr. Glen E. Thurow]

General reading: "The ABC's of How Your Government Works". Special section, U.S. News & World Report.

Sessions

I. December 28: The Founding Principles.—Readings: Declaration of Independence. Harry V. Jaffa, "What is Equality".

II. December 29: The Rational Republic and the Multiplicity of Fractions.—Readings: Federalist Number 10.

III. December 31: The Constitution and the Separation of Powers.—Readings: The Constitution of the United States. Federalist Numbers 37, 51.

IV. January 3: Congress and Political Parties.—Readings: Federalist Number 35. Harry V. Jaffa, "The Nature and Origin of the American Party System". Theodore White, "Report of the McGovern-Fraser Commission". Edward C. Banfield, "Party 'Reform' in Retrospect".

V. January 5: The Presidency.—Readings: Federalist Number 70. James Ceaser, "Political Parties and Presidential Ambitions". Jimmy Carter, "Inaugural Address". Ronald Reagan, "Inaugural Address". Woodrow Wilson, "On Leadership".

VI. January 7: The Judiciary.—Readings: *Marbury* v. *Madison*. Alexis de Tocqueville, "Judicial Power in the United States". "On Constitutional Interpretation—An Interview with Justice Lewis Powell". Nathan Glazer, "Judicial Activism Opposes Democratic Principles".

VII. January 10: The Bureaucracy; Federalism.—Readings: James Q. Wilson, "The Rise of the Bureaucratic State". Federalist Number 39. Alexis de Tocqueville, "On the Federal System". Ronald Reagan, Speech on Federalism.

VIII. January 12: Civil Rights and Race Relations.—Readings: Herbert J. Storing, "Slavery and the Moral Foundations of the American Republic". *Plessy* v. *Ferguson*. *Brown* v. *Board of Education*. *Fullilove* v. *Klutznick*.

IX. January 14: Equality and Liberty.—Readings: Alexis de Tocqueville, "On Equality and Liberty".

INTERNATIONAL SEMINAR IN AMERICAN STUDIES, JANUARY 1983—THE AMERICAN PEOPLE

COURSE READINGS

[Instructor, Dr. Christopher Flannery]

General reading: A Synopsis of American History".

Sessions

I. December 28: What is an American?—Readings: "Synopsis," pp. 23–32. "The Autobiography of Benjamin Franklin". Crevecoeur, "What is an American?"

II. December 30: A Revolutionary People.—Readings: "Synopsis," pp. 35–41, 44–48. Instructions from the town of Malden for a declaration of independence. May 27, 1776. Virginia Bill of Rights, June 12, 1776. Massachusetts Bill of Rights, 1780. Virginia Statute of Religious Liberty, January 1786. G. Washington First Inaugural, April 30, 1789. G. Washington Farewell Address, September 17, 1796. T. Jefferson First Inaugural, March 4, 1801. T. Jefferson to John Adams, October 28, 1813.

III. January 4: A People with an "Ancient Faith".—Readings: "Synopsis," pp. 107, 135–138, 148–151, 159–163, 167–175. Abraham Lincoln, selections. Frederick Douglass, "Fourth of July Oration" and "Oration in Memory of Abraham Lincoln".

IV. January 6: A New Century and a New World.—Readings: "Synopsis," pp. 41–42, 65–66, 187–190, 194–196, 221–225. Oliver Wendell Holmes, "Natural Law". Woodrow Wilson, "What is Progress?"

V. January 11: Contemporary America.—Readings: "Synopsis," pp. 373–376, 383–388, 393–398. Others to be handed out.

VI. January 13: A World Split Apart.—Readings: Solzhenitsyn, "A World Split Apart". Replies to Solzhenitsyn.

Question 17. Was the Claremont Institute project initiated by USIA or the Claremont Institute?

Answer. The Claremont Institute submitted a proposal like any other organization. See answer 18.

Question 18. Did USIA—or anyone employed by USIA—contact or speak with the Claremont Institute prior to an expression of interest in a grant by the Claremont Institute?

Answer. USIA endeavors to engage as wide an audience as it can in grant making programs. We are always looking for innovative and effective ways to reach

foreign audiences. This is why USIA annually publishes in the Federal Register an announcement of USIA's thematic areas of grant programs, indicating interest in hearing from organizations which might develop effective programs. We meet with foundation officials on a regular basis to inform them of USIA grant activities and encourage them to submit interesting program ideas along the thematic lines stated in the *Federal Register* notice. To this extent, Claremont Institute was encouraged like any other organization to submit a proposal for routine and general evaluation.

Question 19. How would you characterize the reaction of participants to the Claremont Institute program? Did the participants find the program balanced and representative of the diversity of opinion in this country? Would you provide the cables reporting from Mexico City, La Paz, and Lima on the reaction of participants in the Claremont Institute project?

Answer. Participants' reaction to the Claremont seminar was very positive; participants' evaluations indicate their satisfaction. The Institute staff, guest speakers and participants frequently held lively discussions where all views were represented. The cables from Latin America commenting on the participants' reactions are enclosed. It should be noted that a response to the posts is currently being prepared documenting that many of the posts' interpretations of the participants' reactions are erroneous and misleading.

Question 20. Is USIA satisfied with the Claremont Institute's conduct of the American studies seminars? If not, please explain.

Answer. USIA is highly satisfied with the Claremont seminars. As is mentioned in paragraph (4), evaluations by Institute staff, USIA officials and most importantly, participants, indicate this.

Question 21. Was the grant to the Ethics and Public Policy Center initiated by Dr. Lefever or by USIA?

Answer. The Ethics and Public Policy Center initiated the grant proposal.

Question 22. Did USIA—or any one employed by USIA—contact or speak with Dr. Lefever about a possible grant application prior to an expression of interest by Dr. Lefever of the Ethics and Public Policy Center?

Answer. Mr. Reilly spoke with staff members of the Ethics and Public Policy Center concerning the work of the Office of Private Sector Programs at USIA, its grant activities, and the general orientation of its goals in serving Area Office and Agency objectives; but did not solicit a specific grant proposal from EPPC. As part of his responsibility as Director, he regularly informs foundations and educational institutions of the Office of Private Sector Program's activities. In addition, Mr. Reilly is authorized to solicit proposals for the Office of Private Sector Programs, Bureau of Educational and Cultural Affairs; and often does so when a program is requested by other USIA elements or offices. In this case, however, the concept and proposal for the grant originated at the Ethics and Public Policy Center.

Question 23. Should American participants in a private sector grant on current issues project include persons representing more than one major viewpoint on the current issue? Should programs be balanced?

Answer. The answer to both of these questions is—yes. The Ethics and Public Policy grant was approved because USIA felt that it would advance mutual understanding and introduce foreign audiences to the diversity of perspectives now advanced in the United States concerning this sensitive issue area. The original list of possible American invitees were "among the Amercans who would be invited." The series of four conferences, three in Western Europe and one in the United States are still in the developmental stages. Since the July 23, 1982 submission of the grant proposal, a broad variety of Americans have been invited to participate in this conference series (see next question). Furthermore, each conference panel was designed so that there would not only be an American specialist (theologian, security affairs specialist, or someone with dual credentials) but also a European, representing a broad spectrum of positions on nuclear issues and disarmament.

However, it is often advantageous for Agency grantees to develop programs that bring together like and like. For example, the many labor programs funded with the AFL/CIO labor institutes bring foreign labor leaders to the United States and send American Labor leaders abroad. If we consider the promotion of free trade unions as a current issue, we do not consider it necessary that the major viewpoints in opposition be represented. In fact to insist that these views be presented would damage the effectiveness of the existing programs.

Question 24. Does USIA consider the American participants in the Ethics and Public Policy Center Grant to be represenative of the major viewpoints held by Americans on nuclear issues?

Answer. Those on the Agency evaluation panel who approved the EPPC grant proposal felt that American participation on each panel was balanced by additional (and often contrasting) papers presented by West European religious leaders, theologians, security experts and members of the press. Each panel was further designed to stimulate an extended discussion among all participants.

There have been several programming changes in the original Ethics and Public Policy proposal since its submission (July 1982). The original list of potential American participants did not include persons representing *all* the viewpoints held by Americans on nuclear deterrence issues. Among those listed, neither Dr. James R. Schlesinger nor the Most Reverend John J. O'Connor hold necessarily "pro-administration" views on nuclear issues.

Since that time, to further insure balanced representation on the part of the American delegation to these conferences, EPPC has extended additional participant invitations to Americans representing a wide spectrum of positions on nuclear and disarmament issues, including: Roger Molander (formerly of the NSC and founder of the Ground Zero Movement); Dr. Seymour Weiss; Dr. Harold Brown; Dr. Stanley Riveles (ACDA); Dr. John Steinbrenner (a nuclear freeze advocate); Dr. Zbigniew Brzezinski; Father Hehir (one of the authors of the "Pastoral Letter"), and the Reverend Francis X Winters, S.J. (Georgetown University and a freeze advocate).

Question 25. How carefully did USIA evaluate the Ethics and Public Center proposal? Was USIA aware that one of the proposed British participants, Dr. Mortimer, Bishop of Exeter, has been dead for 4 years?

Answer. In July 1982, EPPC submitted a proposal to the Agency's Office of Private Sector programs to conduct four seminars with religious leaders and defense specialists on "'Ethics and Nuclear Arms and Arms Control."

As with all other proposals submitted to the Office of Private Sector Programs (E/P), the EPPC proposal was officially logged and an E/P officer was assigned to evaluate the proposal as to its usefulness in assisting the Agency in the performance of its mission, and the capability of the organization to execute the project.

The fully developed EPPC grant proposal was first approved in E/P's "internal review" process. A copy of the proposed budget was forwarded to our Executive Office of Educational and Cultural Affairs for review and approval. Other copies were sent to USIA's European Area Office and the State Department Central European Office for their evaluation. The grant was then evaluated by our agency-wide "Review Panel" which voted 4:1 to approve the entire project. With the approval of the Associate Director of Educational and Cultural Affairs, and the Deputy Director of the Agency, the proposal was sent to the grants contract office, and the grant was awarded. In other words, all of E/P's established evaluation procedures were followed.

The EPPC grant was designed to broaden our informational, educational and cultural intercourse with foreign audiences. The topic is of central importance to the Atlantic alliance and its future. The USIA European Area in "strongly supporting" the proposal commented that these are "matters of immediate concern to the European Area." The endorsement from the State Department argued that the proposed program is "creative, well-conceived and worthy of strong U.S. Government support."

Throughout this entire evaluation process, no one noticed that one of the sixty-six potential European nominees for the conference, Dr. Mortimer, is dead. Other nominees have been added to this initial proposal list based on post suggestions and additional surveys of leading West European religious leaders.

Question 26. What success has the Ethics and Public Policy Center had securing financial contributions from European governments and private institutions, as promised in the grant application? Please give details.

Answer. No attempt has been made to obtain support from European governments.

In the case of private non-profit institutions, the Ethics and Public Policy Center has been seeking logistical support to help defray the cost of these seminars, but no transfer of funds. At present, only the date for the conference in Great Britain is set. EPPC has sought and gained local support from the British Atlantic Committee, which is assisting in the organization of the seminar and invitation of British speakers and participants.

The dates for the seminars in West Germany and the Netherlands are not yet firm. In connection with these seminars, EPPC has approached and are in communication with a number of possible co-sponsors, including: the Evangelische Academie, Loccum; the Atlantik Brueke; the Geschwister Scholl Institute for International Relations, University of Munich; the Institute for Peace Research and Security Policy, Hamburg; the Hans Seidel Stiftung; the Atlantische Kommissie, The Hague; and the Interchurch Organization for Multi-Lateral Disarmament.

Question 27. The Ethics and Public Policy Center grant includes some $44,530 in overhead and salaries for center staff. What is the justification for this amount of overhead?

Answer. The EPPC grant budget was approved by the Budget Office, Bureau of Educational and Cultural Affairs. The original request from EPPC was $262,000 which was subsequently trimmed by $70,000. Out of the total budget, EPPC received $24,820 in total staff costs, $8,600 in supplies, xerox, telephone, postage and preparation and distribution of discussion materials, and $16,710 in overhead (50 percent of professional staff salaries, clerical staff salaries, and the above listed office supplies).

In other words, from the total grant budget to develop, organize and conduct *four* international seminars (three in Western Europe and one in Washington, D.C.) with at least 200 total participants, EPPC received 13 percent staff salaries, 4 percent in office supplies (etc.), and 8.7 percent in overhead. The Budget Office (ECA) deemed these expenditures and the percentage rate for overhead "normal" and appropriate for this grant.

Question 28. Please provide for the record the overhead and staff salaries expenses for all private sector grant recipients in FY 1982 and FY 1983 (aside from the so-called core groups) for which the staff salaries and overhead expenses exceed 15 percent of the grant amount and are in excess of $10,000. How does this compare to similar grants awarded in FY 1979 and FY 1980?

Answer. There follows a list of all such grants awarded in fiscal year 1982 and 1983 with total grant costs, direct staff costs, and indirect overhead for each non-core grant meeting the criteria of your question. Twenty-four of the non-core grants awarded in FY 1982 and three of the non-core grants awarded so far in FY 1983 meet these criteria. We would judge our experience last year and so far this year to be consistent with the two prior years.

	Total grant	Indirect overhead	Direct labor
FISCAL YEAR 1982 GRANTS AWARDED			
Alternative Education Foundation	$88,818	$16,016	.....
American Association of Museums	57,450	4,313	$8,040
American Enterprise Institute	69,923	.....	24,750
American Enteprise Institute	54,142	.....	12,876
Asia Foundation (Pakistan English teaching)	99,500	30,800	5,856
Association of Former Members of Congress	40,000	.....	15,842
Council for Inter-American Security Education Institute	55,567	5,317	14,700
Educational Research Council	47,150	6,150	9,900
Ethics and Public Policy Center	192,145	16,710	27,820
Georgetown University Center for Strategic and International Studies (Ind. Democ.)	34,110	4,348	8,687
Georgetown University (Leadership seminar)	59,295	.....	16,060
Institute for Contemporary Studies	76,927	.....	10,064
Institute for Foreign Policy Analysis (United States-European Relations)	50,000	9,300	22,567
International Management Development Institute (Fowler-McCracken Commission)	75,000	13,500	25,600
Media Institute (Brazilian journalists)	82,838	6,920	6,377
Media Institute (EA journalists)	100,960	12,924	15,172
Media Institute (Latin American journalists)	100,960	12,924	15,172
Media Institute (Ministers of Communication)	59,942	13,968	15,788
Phelps-Stokes	38,385	6,397	13,640
Texas Southern University	48,643	6,345	6,150
University of Connecticut (Turkey project)	71,193	16,500	15,275
University of Illinois	49,949	9,239	2,400
University of Miami Center for Advanced International Studes	50,665	4,606	9,406
Woodrow Wilson Center	30,000	6,378	12,122
FISCAL YEAR 1983 GRANTS AWARDED			
California State University Foundation, Northridge	142,478	39,976	33,252
American University in Cairo	57,105	14,805	7,000
Center for Strategic and International Studies (Georgetown University)	114,168	14,283	17,314

Question 29. Will all grants and projects carried out under Project Democracy be publicly identified as U.S. Government funded? Would you have any objections to an amendment requiring that all end-use recipients of Project Democracy funds be so notified and that a list of end-use recipients shall be publicly available?

Answer. All grant and projects carried out under Project Democracy will be entirely overt and openly identified as U.S. Government funded. We have no objection to an amendment requiring that all end-use recipients of Project Democracy funds be so notified and that a list of end-use recipients be publicly available.

Question 30. Would you have any objections to an amendment requiring that all end-use recipients of USIA grants be so notified and that a list of end-use recipients be publicly available? If so, please explain the reasons for any objections.

Answer. No, we would not have any objections to an amendment requiring that all end-use recipients of USIA grants be so notified and that a list of end-use recipients be publicly available. This information is already available to the public upon request.

Question 31. The American Political Foundation, which is chaired by the Democratic and Republican National Chairmen, has received $300,000 for a study to establish the Democracy Project. When will this study be ready? Why was it not ready at the time of the budget presentation?

Answer. We understand that the American Political Foundation study will be ready by June 1, possibly earlier. The APF democracy project is an entirely distinct effort from the USIA/Department of State/USAID Project Democracy.

The APF study will determine how the United States, particularly non-governmental organizations, can best contribute to the strengthening of democracy abroad. While certain activities in support of democracy are best reserved to the private sector, there are a number of other programs which are appropriate for the government to undertake. Our initial recommendations along these lines make up Project Democracy. In some cases these are expansions of already existing projects and in others they are new initiatives.

We believe that the APF effort and the government effort can be complementary. Indeed, we are in close contact with the study staff and its executive board to ensure that the directions in which we are going are compatible.

Question 32. The New York Times has advocated allowing a "quasi-autonomous non-governmental organization" to run Project Democracy to insure its bipartisan character. What is your reaction to this proposal?

Answer. As stated in the previous question, we believe that while certain activities in support of democracy are best reserved to the private sector, there are a number of other programs which are appropriate for the government to undertake. The American Political Foundation "Democracy Project" study is a thoroughly bi-partisan effort, and Project Democracy will take the APF recommendations fully into account. To further ensure that Project Democracy will be bipartisan USIA has proposed to Congress the adoption of a stringent code of guidelines and criteria under which Project Democracy will be administered.

Question 33. Did you consider political party foundations, on the German model, as an alternative way to run Project Democracy? What would be your reaction to this proposal?

Answer. We believe that the German political party foundations provide a model that is more appropriate for the Democracy Project study of the American Political Foundation than for Project Democracy.

Project Democracy is an effort on the part of the U.S. Government to support the spread of democratic ideals and the growth of democratic institutions worldwide. Some of the Project Democracy programs will be carried out by the Federal Government itself, but a majority of them will be implemented by private organizations through grants from the U.S. Government.

The German political foundations, which receive considerable funding from the national government, also seek to promote the growth of democracy. However, there are several important differences between these foundations and Project Democracy.

First, the German organizations are affiliated with individual German political parties, while Project Democracy is not. To the contrary, we want the new Democracy program to be completely non-partisan.

Second, the German foundations give grants directly to foreign political parties, whereas the programs we are proposing under Project Democracy do not entail funding political parties. Our initiative would involve educational training and exchange activities in which officials of democratic parties, unions, and other organizations would participate. Many of these activities would be conducted by American non-governmental organizations in cooperation with foreign counterparts. Our intention is not to favor one democratic party over another.

Third, the German political foundations are geared to undertake open political action in fields such as arms control issues, whereas Project Democracy programs will not pursue such policy-specific action.

Question 34. Mr. Wick, do you have an opinion about the advisability of a new radio broadcasting program to Cuba using VOA's facilities at Marathon? Would you oppose putting the new effort under VOA rather than the Board for International Broadcasting (BIB)?

Answer. To me, this is a policy decision and therefore should be up to the judgment of this Administration and the Congress. I would like to point out, however, that the mission of VOA, defined by its Charter, is clearly different than surrogate radios such as Radio Marti would be. It is my personal belief that surrogate broadcasting to Cuba is very much needed, but it will be essential for the VOA and Marti to maintain a separate identity, since by law they perform different functions.

Question 35. Is it your understanding that the VOA's programming would continue to be broadcast to Cuba from Marathon in addition to the new radio? Would there be any change in current number of hours or schedule of VOA broadcasts?

Answer. There is no plan at present to change the number of hours or schedule of VOA broadcasts to Cuba from Marathon. VOA now broadcasts during the prime time of morning and evening hours. Of course, adjustments could be made if the Congress and the Administration decide it is necessary. As you know, there are a number of options for Marti other than use of the Marathon transmitter.

Question 36. If VOA broadcasts to Cuba are ended, how much less money will VOA require?

Answer. There is no plan to terminate VOA broadcasts to Cuba. If the Marathon station was used exclusively for Radio Marti, then VOA would seek another comparable transmitting facility in order to continue VOA broadcasts. We do not anticipate any costs, savings, in fact, the initial outlay could be higher.

USIA's Responses to Additional Questions Submitted for the Record

Question 1. Including the Democracy Project, USIA's fiscal year 1984 request is approximately 30.4 percent ($166 million) greater than the amounts appropriated in fiscal year 1983 under the continuing resolution (Public Law 97–377). In fact, on a percentage basis, the USIA had the greatest increase in all Federal programs except for Grant Military Assistance and the Federal Aviation Administration facilities.

Aside from the $65 million Democracy Project, what are the major items of increase for fiscal year 1984?

Answer. In addition to Project Democracy, the requested increase of $166 million in 1984 over the fiscal year 1983 funding level approved in the continuing resolution will provide for the following:

$30.9 million to meet net added costs of continuing the 1983 program level throughout 1984, primarily overseas wage and price increases, completion costs for U.S. participation in the international exposition in Tsukuba, Japan, scheduled to open in March 1985, added salary and related costs resulting from fiscal year 1983 Federal pay and benefit increases, and other built-in changes;

$28.5 million to complete the urgently needed Voice of America staff and program improvements we plan to begin in 1983 under the proposed fiscal year 1983 supplemental;

$23.1 million to perform advanced engineering and technical development studies to initiate a five-year plan to modernize and expand the Voice of America's transmitting facilities to provide a global network that is capable of meeting current public diplomacy objectives and that has sufficient flexibility to enable VOA to respond quickly to international developments and changing foreign policy objectives; and

$18.5 million to enhance selected Agency activities, consisting of $5.8 million for Overseas Missions posts to restore some past staff cuts, open new posts, and augment English teaching and other activities; $3.2 million to expand television satellite programs and to modernize TV equipment in the Washington studios; $3.2 million to expand VOA broadcasts to the Soviet Union and Eastern Europe; $3.0 million to expand youth exchange programs, student counselling, and English teaching programs; and $3.3 million to improve Wireless File reception, expand research studies, cover first-year obligations for U.S. participation in the international exposition in Vancouver, Canada, scheduled to open in May 1986, and to provide vitally needed increases in representation funds.

Question 2. In the USIA presentation materials, the Agency's specific tasks are enumerated. First among these is to "strengthen foreign understanding and support for United States policies and actions." Since we are all concerned about West European attitudes toward United States and Soviet arms control initiatives, can you tell us how USIA is working to strengthen European understanding and support of United States policies and actions in arms control?

Answer. USIA's efforts to increase European understanding and support for U.S. arms control policies and programs are varied and comprehensive. Our programs and products are produced in close collaboration with the Department of State, ACDA, and the National Security Council. All distribution and operations in Europe are planned in close consultation with the host allied governments.

USIA undertakes to assure that our European audiences have access to statements of U.S. policy by the President, Vice President and other senior U.S. officials. Major speeches are provided to European television networks via satellite, full texts are provided to the print media after transmission on USIA's Wireless File, and background briefings on these statements are arranged for European correspondents through the Foreign Press Center. Major statements are reprinted in brochure form for later distribution by USIA posts in Europe. The first efforts of this type were built around President Reagan's November 18, 1981, speech on arms control. Similar satellite broadcasts, Wireless File transmissions, and briefings have been held for the President's speeches at the United Nations, in Eureka, Illinois, and during his 1982 trip to Europe. Vice President Bush's speeches and press conferences in Europe were also covered by Eurovision.

In addition to assuring European media coverage of major statements of U.S. arms control policy, USIA programs in Europe concentrate on reinforcing understanding of those policies by target audiences through lectures, seminars, and round tables featuring U.S. arms control experts and senior officials. Wireless File articles and backgrounders supporting understanding of U.S. positions are distributed by USIS posts to key policymakers and opinion leaders throughout Europe. USIA supplies posts in the field with videotapes of major speeches and other policy statements for use in programs on arms control and for distribution or showing to target audiences.

USIA's television service produces videocassette programs with senior U.S. officials discussing and explaining U.S. policies. The television service also arranges for telepress conferences and video dialogues between European audiences, such as an editorial board of a newspaper, and U.S. officials. USIA provides assistance to European television productions by offering the use of facilities as well as help in arranging for interviews with U.S. officials and experts.

The Foreign Press Center in Washington is a key element of USIA programming on arms control issues. This Center is the main contact for resident correspondents as well as visiting Journalists from Europeans media. The Center arranges for individual interviews, holds briefings and arranges programs of several days length for groups of resident or visiting journalists.

Two special exchange programs for groups of Europeans under the International Visitor program are planned for this year. These two programs, on "Strategic and INF Arms Control Negotiations" and "Atlantic Security" bring European leaders together with U.S. experts and policymakers for thirty days to discuss arms control and security issues and U.S. policies.

Question 3. Do you feel that USIA initiatives in this area are succeeding and, if not, what more and what different needs to be done?

Answer. USIA efforts to build understanding and support for U.S. arms control initiatives in Europe are only a part of the total picture and consequently it is difficult to measure their success. For example, Vice President Bush's trip to Europe was extremely successful and we believe that USIA played a role in assur-

ing that the message that he wished to carry to the Europeans reached them. During the last year Europeans have become more aware of U.S. arms control positions and are interested in exploring these positions with USIA officers and with U.S. arms control experts. USIA polls over the past 2 years do show an increase in awareness of U.S. positions.

In the coming year our efforts certainly cannot be diminished. The Soviet Union is making a major effort to deprecate U.S. arms control efforts and to use self-serving propaganda about their position to drive a wedge between the United States and its allies. We must continue to explain U.S. policies to European opinion leaders. Senior U.S. officials must be available to brief European journalists. U.S. arms control experts must continue to explain our efforts in Geneva in seminars and small meetings in Europe. Statements of U.S. policy—by the President, Vice President, Secretary of State and other U.S. officials—must be given the widest possible media exposure in Europe. Our case is strong. Our audiences are concerned and interested in our positions. But our adversary is always active and our efforts together with those of allied governments must not diminish.

Question 4. The second specific task mentioned in the Agency's presentation materials is to "unmask and counter hostile attempts to distort or to frustrate the objectives and policies of the United States." One presumes that the Agency counters such hostile attempts to distort or frustrate by answering false charges made by adversaries. But can you inform us as to how the Agency "unmasks" these "hostile attempts"?

Answer. USIA contributes to this effort through two broad efforts: (1) Project Truth, and (2) participation in the inter-agency Active Measures Working Group.

USIA's Press Service turns out "Dateline America" features describing things that are right in our society and culture to help offset the more often negative depictions in the news and entertainment media. There are similar features on VOA's daily service. Also, our Research Service produces a periodic "Soviet Propaganda Alert" to help keep our staff abreast of what the Soviets are saying. In addition, a two-man staff has recently begun identifying useful articles on Soviet affairs from the academic and official communities. These are sent as an addendum to the Wireless File.

The File also runs regular messages which excerpt disinformation from the output of the Soviets or their proxies and provide responding facts or U.S. policy guidance refuting hostile charges against us.

By participating in the inter-agency Active Measures Working Group, Agency officers plug USIA resources into the effort to neutralize and counter these false charges. Some of the results:

VOA editorials and Wireless File features exposing Soviet forgeries and disinformation activities.

USIA distribution of 2,000 copies of the State Department's "Affairs Note" series on Soviet affairs.

USIA participation in inter-agency briefing teams that visit other countries to engage USIS/Embassy staffs, the foreign ministries of friendly governments and journalists overseas in a dialogue on the problem of hostile "active measures."

USIA contributions to a "fast-response service" by cable or overseas telephone that helps our embassies and USIS posts quickly set the record straight when they detect an instance of hostile active measures.

Question 5. Another stated task is to "assist in the development of a comprehensive policy on the free flow of information and international communication." Whom does the agency assist in this regard? Has a comprehensive policy been developed, and how is it different from the policy of the Carter administration?

Answer. First, USIA actively participates in the development of policy on the free flow of information, as well as on other international communications issues through membership in a Senior Inter-Agency Group, or SIG. This group is Chaired by Under Secretary of State William Schneider, and its purpose is to provide a forum for policy development and guidance across the board on international communications and information issues. In addition, the Agency has undertaken several specific tasks. Let me mention two. Our Associate Director for Programs has twice served as Vice Chairman of the U.S. Delegation to UNESCO meetings that have dealt with "free flow" matters. And, he recently delivered a major speech, outlining the Administration's views in this area, at the annual meeting of the Pacific Telecommunications Council.

Second, with regard to "a comprehensive policy," there have been two important efforts. The Department of State has set forth seven basic objectives in international communications and information policy and the Department of Commerce has just completed a major report to the Congress of U.S. long-range goals and interests in this area. USIA worked with both the State and Commerce Departments in undertaking these efforts.

Finally, this Administration's policy in international communications and information does not differ substantially from that of the Carter Administration. But we have given this area greater attention because we recognize that it is of growing importance. One of the best illustrations is in USIA itself. This year we decided to create a separate, and high priority public affairs "theme" on communications and information. USIA's "global theme four" is intended to combine two and Issues of Global Communication—with such new topics as the impact of the previous points of emphasis—the Role of a Free Press in a Democratic Society and Issues of Global Communication—with such new topics as the impact of the communications revolution, and the transition of the United States to an information-intensive society.

Question 6. In fiscal year 1981, USIA acquired talent valued at about $5 million for services such as writing, filming, translation, exhibit design and fabrication, copyrights, research and announcing. USIA uses both contracts (generally for amounts over $10,000) and purchase orders to acquire these talent services. The majority of the talent is acquired through purchase orders. An August 10, 1982, GAO report found that in a number of cases established procedures were not followed. This resulted in awards that were not made on a competitive basis, to the maximum extent practicable, as required by the Federal procurement regulations. GAO also found the questionable use of purchase order vendors to satisfy programing needs at the Voice of America (VOA).

What has USIA done to correct the problems highlighted by the GAO report?

Answer. The GAO report was distributed by the Director to each Associate Director with firm instructions to inform their staffs of the deficiencies found and the necessity to take immediate corrective action. Agency-wide announcements were issued to assure sufficient procurement planning time to adequately compete procurements. Three recommendations were made with regard to VOA. The report recommended that the Agency Director:

1. "Instruct VOA officials to anticipate retirements and provide for the orderly and timely placement of full-time employees rather than continuing to rely on purchase order vendors."

VOA Action.—The Position and Pay Management Division of the new Broadcasting Office of Personnel has conducted a thorough and comprehensive VOA-wide position management survey. As a result of this latest survey, significant and comprehensive information has been made available to Management on which it can base decisions regarding possible realignment and maximum use of all manpower resources. At the same time, the VOA Office of Personnel has initiated a major recruitment program in response to VOA-wide staffing needs and has made significant progress in filling longstanding vacancies—many of which contributed to VOA using purchase order vendors. The VOA recruitment program has been developed to anticipate future staffing needs and vacancies in order to provide for timely appointment of new staff employees to replace those who retire or resign as well as to fill any newly authorized staff positions.

2. "For existing purchase order vendors, require VOA officials to establish procedures to periodically reevaluate the need for retaining former employees performing services in a contractual capacity."

VOA Action.—VOA Management has established a formal annual review procedure whereby prior to the beginning of each new calendar year (when new contracts normally are prepared) VOA Management will conduct a house-wide review, on a case-by-case basis, of any former employees working in a contractual capacity to determine the continued need for such services. In addition, as new cases are proposed during the year, VOA Management will weigh each case carefully to determine the need to insure that appropriate staff recruitment action is in progress to minimize the need.

3. "Instruct VOA officials to comply with existing VOA regulations which prohibit using talent vendors who work under any form of supervision of a relative or dependent."

VOA Action.—The VOA Office of Administration has distributed to all managers involved in purchase order vendor operations copies of VOA "Instruction

No. 117" which details the policies and procedures to be followed in the use of all talent vendors, including the limitations for such usage where there is any potential form of supervision by a relative. VOA administrative officers who oversee the day-to-day procurement activities for purchase order vendors also have been instructed to make sure that all purchase order vendors receive copies of VOA Instruction 117 to insure that everyone involved in this activity is aware of the policies and limitations governing the use of purchase order vendors.

Agency-wide Announcement #166, dated August 5, 1982, entitled "Contracts or Purchase Orders Between the Agency and Government Employees, Ex-Employees or their Family Members" also was issued to address the issue of favoritism or nepotism on an Agency-wide basis.

Question 7. The USIA is currently authorized to spend $10,000 for receptions and functions within the United States. In fiscal year 1984, the Agency is requesting $40,000 for the director and other senior officials to host official receptions, luncheons, and dinners.

In light of the severe austerity measures being applied to most domestic agencies of government, is it absolutely necessary for yours to have a $40,000 domestic representation allowance?

Answer. Over the past years, since its reorganization in 1978, the mission of the United States Information Agency has expanded greatly from its original charter. Added to our overseas information activities are substantial international negotiating and public diplomacy responsibilities. In order to properly carry out this expanded mission, USIA has increased its responsibilities, requiring additional need for representational activities.

In fiscal year 1982 the Agency was granted only $8,000 to carry out its domestic representation functions. This amount when distributed throughout the Agency amounts to very little for each division of the Agency. In one division, the program officers received only $20 each—barely enough to pay for one luncheon for two people. Another division of the Agency received no representational money at all in 1982.

Since the Agency and its officers have been operating virtually without representation funds for so long, and what representational activities have been conducted have been at the personal expense of Agency officers for the most part, it is difficult to make an accurate and intelligent prediction of monies needed for representational activities. However, we have asked each of our associate directors to estimate their minimum representational requirements based on actual events planned or anticipated to occur in fiscal year 1983. At just the minimum alone, these requirements total an amount over $50,000! This is so far from the allocated $10,000 that the remaining need is obvious. A list of the representational opportunities anticipated for fiscal year 1983 is attached.

Examples of domestic representation opportunities for fiscal year 1983

1. In March the Deputy Director and Foreign Affairs Editor of Diario de Noticias, Portugal's leading newspapers, will visit Washington as an IV and to interview Kenneth Dam, Deputy Secretary of State. A lunch with him prior to the interview is needed. Participants: IV, the Area Director, Agency officers including at least one who has recently served in Portugal	$125
2. The first U.S.-France bilateral talks are planned for Washington in June. A working lunch with the French Cultural Counsellor is in order prior to the talks. Participants: French Cultural Counsellor, Area Director and Agency officers	75
3. A major luncheon or dinner for the American and French delegation hosted by Director Wick is appropriate. The French have provided hospitality to the Director and others in Paris in recent months, and an event such as this is worthy of a lunch or dinner at a minimum. Participants: The director and a total of 15–20 others from the United States and French delegations and other VIPs	700
4. The Prime Minister of Spain, Filipe Gonzalez, will visit Washington in June. Before the visit the European Area Director should lunch with the Spanish Cultural and Press Counsellors to discuss the visit informally	75

5. During the Prime Minister of Spain's visit to Washington it would be advisable for USIA officials to host a lunch or dinner for the Prime Minister's press advisor and for major Spanish media representatives covering the visit	$450
6. In July or August a three-member delegation of Greek parliamentarians, headed by the Speaker of the Parliament, is expected to visit Washington, possibly as IVs. A lunch with Agency officials is needed.	200
7. The Greek Minister of Education is expected to visit Washington in July or August, possibly as an IV. A luncheon hosted by Agency officials is needed	100
8. United States-Dutch bilateral talks are scheduled for Washington in late spring. It would be beneficial beforehand for Agency officials to host a working luncheon with information and cultural officers	200
9. The Austrian Broadcasting Director, General Gerd Bacher, and other ORF officials tentatively are scheduled to make a visit to the United States. The Agency will play an important role in setting up the program, based on an offer conveyed by the Director. As a minimum, a luncheon with prominent U.S. broadcasters would be required. Participants would include Mr. Bacher and an estimated party of five; the Agency's Director, Deputy Director, European Area Director, other Agency officials and private sector representatives	300
10. The United States-Yugoslavia Joint Cultural Working Group is scheduled to meet in Washington. A luncheon hosted by USIA would be beneficial. Participants: Yugoslavian Ambassador to the United States; three Yugoslavian representatives on the working group, the Yugoslavian Embassy Cultural Counselor; the Agency Director and several Agency officials	300
11. For the Williamsburg Summit there should be many representational opportunities, not only in Williamsburg, but before and after the Summit in Washington. It is impossible to estimate what the requirements might be but the opportunities abound	------
12. In March a French IV group of Directors of French defense-related think tanks will visit Washington. This would be a splendid opportunity for the Agency to host a luncheon for French-speaking Agency officers knowledgeable on INF, START, and other security issues to meet with these French influentials and discuss these critical issues	225
13. In a normal year the FRG Embassy receives about 5,000 official visitors a year. Because of the Tricentennial celebration that number could increase substantially this year. Many of these people are VIPs who are USIA contacts and some social gesture should be forthcoming from USIA/Washington toward them. Generally these people are received during office hours	------
14. Country Affairs officers frequently have the opportunity to meet and host Embassy officials, IVs and other foreign visitors and visiting and resident foreign journalists. To meet their responsibilities minimally, the desk officers should have enough representation monies each year to host a luncheon for each embassy contact twice a year; host a luncheon for leading journalists of major foreign newspapers from his/her countries of responsibilities; and host lunch or dinner for about six important IVs per year. For the European Area funding for such activities would be	6,000
15. A cocktail reception for 10 to 15 participants in the Mid-America Conference, to be held in March, should be held	150
16. The New Directions Foreign Policy Conference is to be held in April. A luncheon should be held for six participants	150
17. The Sultan Qaboos of Oman will visit Washington in April. A luncheon or dinner with appropriate members of the Sultan's delegation would be beneficial	300
18. The establishment of the position of Liaison Officer—Central Command at MacDill Air Force Base could require representational activities associated with visits by foreign media	200
19. In connection with the Chinese Art Exhibit, "Five Painters," this fall, a dinner should be held. This would be for approximately 20 people, including the Chinese diplomats escorting the exhibit	400

20. This fall there is planned a dinner for the economic writers for ASEAN. This is envisioned to be for 25 people, and would be held at the area director's home ---------- $250
21. As part of our relationship with the Director of the new Nigerian Information Service, we contemplate a dinner to reinforce his interraction with key Administration and media contacts. This would be held at the home of the area director ---------- 200
22. In the course of its improving relations with the United States, the People's Republic of the Congo is opening an Embassy in Washington. Because of the Director's visit to Brazzaville and his meetings with the Ministers for Foreign Affairs and Arts and Culture, the new Ambassador will be very conscious of the need to meet Administration officials and media representatives. Home entertainment would be appropriate. A dinner for eight is envisioned ---- 80
23. We should have full-day seminars on United States-African economic relations, perhaps in conjunction with the release of the World Bank report on African Economic development, and on factors influencing the Administration's policy toward Africa. It would be inappropriate not to serve lunch, even if it must be a very modest array of catered sandwiches. Forty people would be expected ---- 600
24. The successful week-long orientation program for African Ambassadors and diplomats of counselor rank requires the reinforcement of personal follow-up. It is not unreasonable to anticipate 20 small lunches for the rest of the year ---------- 800
25. In June the Media Institute is sponsoring a conference for Ministers of Information from Africa and East Asia. We should plan on a reception for the African ministers attending ---------- 375
26. Minister Garba Wushsishi, who hosted the Director during his visit to Nigeria, will be one of the participants at the Media Institute Conference. A return dinner in his honor is needed ---------- 400
27. The Kenyan Minister for Information and Telecommunications, Eliud Mwanga, will also be at the conference. A high-level luncheon for approximately 10 persons would be in order ---------- 150
28. Zairean Minister of Information Kande Dzambulate is coming to the United States in April as an IV participant, in direct response to the Director's invitation. A high-level lunch should be considered ---------- 150
29. The Tanzanian Minister of Information will be coming to the United States as an IV. Because of the erratic state of our relations with Tanzania, an intimate dinner at an officer's home, with 10 participants, would be a great benefit ---------- 100
30. Emile Mworoha, the Secretary-General of the ruling Uprona Party of Burundi and his country's second highest ranking official, comes to the United States for the first time this year as an IV. Because of the improving state of bilateral United States-Burundi relations (and the USIS role in making that possible), a high level luncheon for 15 people has been proposed ---------- 250
31. As part of the USIA role in the United States-Nigeria Economic Bilateral Talks, we will be hosting a delegation of representatives from the Nigerian Universities Commission. We propose a reception for 40 people ---------- 300
32. We anticipate the possible need for five high-level lunches for African delegates to the September 12–16 International Conference on Constitution Writing. It is too early at this time to be more specific but costs should not exceed $150 each ---------- 750
33. The Department of Education sponsors an annual conference for 15 directors of the African Studies programs from leading American universities. USIA traditionally sponsors one day of this conference. We propose a reception for 50 persons ---------- 375
34. Three members of the Supreme Revolutionary Council of Magadascar will visit the United States under Agency auspices to commemorate the centennial of United States-Madagascar relations. Protocol calls for a high-level dinner or reception ---------- 400
35. In connection with the Foreign National Employees Program a small reception should be held ---------- 200
36. We should provide coffee and doughnuts for at least three multi-regional groups ---------- 100

37. In connection with Afghanistan Day it would be of great benefit to hold a luncheon for six participants	$150
38. Miscellaneous representational activities by the Area Director for the Office of North African, Near Eastern, and South Asian Affairs and other staff officers are estimated to be	500
39. At the conclusion of the United States-Dutch bilateral talks, USIA should host a luncheon for the delegates. Participants: The Dutch Ambassador, six Dutch delegates and five USIA officials	350
40. For each area, representational activities on the part of the Area Director, Deputy Directors and Policy Officers are needed to establish and nurture Embassy and media contacts, with particular emphasis on reaching out to Foreign Press Center clients. This might include occasional representational activities outside of Washington, D.C., as foreign media personnel work in many American cities	10,000
41. A new Deputy Director will be assigned to the African area. A number of lunches would be expected as he is introduced	400
42. There are 22 regional projects in the African area scheduled during fiscal year 1983. Of these, five involve participants of sufficiently high level to warrant cocktail receptions which can be done fairly inexpensively	1,875
43. When we meet with the remaining 17 groups we should be prepared to offer some refreshment, either coffee and doughnuts or wine and cheese	-------
44. Small receptions would be appropriate for IV groups from Rwanda, Zambia, and the University Reform Committee of Kenya	575
45. As a result of initiatives taken in conjunction with Nancy Reynolds, U.S. Commissioner to the United Nations Commission on the Status of Women, 12 prominent women from Zaire, Burundi, Rwanda, and Kenya will be travelling to the U.S. under the IV program. A reception for 40 persons is proposed for these politically important participants	300
46. There are at least 25 additional African IV participants for whom it is diplomatically correct to host a luncheon	1,000
47. There is much we should be doing in forging links with the more conservative individuals and institutions throughout the country and world, whose influence is increasing	200
48. A luncheon and/or reception should be held for foreign Fulbrighters	400
49. Lunches should be held for foreign scholars during the 6–8 working research conferences held annually, and for research contractors visiting abroad	1,500
50. Lunches and receptions should be held for the annual research conference with the BBC	2,000
51. In order to solicit contributions as part of the planning and organization of Tsukuba Expo we will need to hold several luncheons and dinners. Participants would include Commissioner General Needham, senior officials of the Japanese Government and corporations, and their U.S. counterparts	3,000
52. We propose a reception to inaugurate the Los Angeles Foreign Press Center	1,500
53. In connection with the visit by President Zia of Pakistan, a reception for the Pakistan Media and Embassy Corps	600
54. In connection with the visit by Jordanian TV Director General Mohammed Kamal a luncheon or dinner for representatives from the Jordanian Embassy and Jordanian media representatives	300
55. For the American Republics area, representational activities, including luncheons or dinners for visiting heads of state and other high-level visitors	3,000
56. In the American Republics area, an ongoing program of activities involving IV participants	1,500
57. The Director is chairman of the Interagency Steering Committee on German-American contacts, which includes representatives from about 20 other government agencies. For coffee and refreshments to be served at four meetings of this group throughout the year	300

58. Hospitality for the "successor generation" leaders of the three major German political parties, in the United States on USIA grants	$900
59. Hospitality for the Philippine media representatives and Embassy officials in connection with the visit of President Marcos	1,000
60. Should the Greek Minister of Culture visit Washington, a reception should be held for her, hosted by the Director	700
61. A series of luncheons with visiting delegations from foreign "think tanks" to develop institutional linkages under Project Democracy. (For example, luncheon for a group from Bangladeshi Institute of Strategic Studies in March 1983, to be hosted by USIA)	2,000
62. Lunches and dinners honoring visiting heads of foreign cultural and artistic organizations who facilitate USIA exhibit showings and cultural presentations. (For example, the Juan March Foundation of Spain)	1,500
Total	50,980

Question 8. USIA is requesting $3.2 million for the United States participation in the Tsukuba Exposition and $1 million for the Vancouver Exposition.

Could you provide a detailed breakdown of how this money will be spent?

Answer. 1. Tsukuba.—The $3.2 million increase will be spent for final architectural and exhibits design ($6,000), audio visual production ($600,000), fabrication of exhibits ($340,000), space rental ($205,000), logistics ($275,000), staff salaries and staff travel expenses in Japan ($840,000) plus the costs attendant to operating the U.S. pavilion for six months, including money for bilingual American guides, local staff and equipment rental ($934,000).

2. Vancouver.—The initial investment of $1 million will be for research, design, development and pre-production of audio visual materials ($438,000), for printing of promotional literature to solicit private participation in the U.S. pavilion ($1,000), salaries, travel and expenses of temporary staff ($175,000) and set up of temporary offices in Vancouver, assignment of the first field staff and plot preparation ($386,000).

Question 9. Have any outlays been made on these projects?

Answer. 1. Tsukuba.—USIA has so far invested approximately $60,000 in preparatory work including research, travel, preliminary design and development of materials to raise $15 million from the private sector so that the official U.S. national pavilion in Tsukuba Science City will be representative and of a scale commensurate with Japanese/American relations. It is expected that approximately $340,000 will be obligated during the remainder of fiscal year 1983 for preliminary architectural and exhibits design and for pre-production of audio visual materials plus some staff expenses.

2. Vancouver.—$450 has so far been spent for an architectural concept of the U.S. space at Expo '86. No major obligations are expected to be necessary before October 1983.

Question 10. What U.S. interests are served by our government's participation in these Expos?

Answer. 1. Tsukuba.—The Japanese are using Tsukuba Expo '85 as a declaration to their people and to the world that the future of their country is committed to high technology. They are publicly challenging the leadership of the United States in these fields.

The Japanese see United States participation in this 6-month ceremony of Japanese pride as implying a continued spirit of partnership with them and they, always sensitive to nuance, might construe limited United States participation as lack of interest in our future relationship as a whole.

The U.S. exhibition, given adequate private resources, expects to show dramatically and conclusively that the United States is and intends to remain in the vanguard of scientific and technological development; no matter who our competitors are, to show that the United States is the laboratory for an advanced post industrial, information intensive society, to anounce the American conviction that the free flow of information is required for peace, for productive use of the earth's resources and for the freedom to develop the human mind.

To accomplish this the USIA exhibitions theme will focus on the highest of high technologies, the marriage of artificial intelligence to the advanced telecommunications systems of global information networks.

2. Vancouver.—The theme of Expo '86 is transportation and communications. USIA proposes to develop the topic of "exploration" with emphasis on space. It provides an opportunity to acknowledge Canada's partnership with the United States in these ventures, to reciprocate for Canadian national participation in every Expo which the United States has ever sponsored, to provide tangible examples of American commitment to long range programs which will serve all the people of North America and to depict the cultural sources of and reasons for U.S. communications policies with a future perspective.

Question 11. What is the screening process for the American participation program in selecting persons to go overseas to speak on foreign policy or economic issues? Is the screening process different from that followed by the Agency in the past? Has any person proposed to be used overseas as an American participant been rejected for political reasons? Should an American participant sent abroad be a spokesman for administration policy or speak, uninstructed from his expertise as a credible interpreter of the United States and its policies?

Answer. Prospective American participants are evaluated on the basis of their scholarly credentials, their experience and familiarity with the formulation of policy, and their ability to communicate effectively. Agency officers recruit speakers to respond specifically to posts' needs as outlined in their annual country plan submission.

The screening process is the same as in the past and is reinforced by careful review of each potential AmPart's qualifications and attributes.

Political party affiliation or ideology is not now—and never has been—a criterion for selecting speakers. No AmPart has ever been rejected for those kinds of political reasons. At the same time, field posts frequently request a speaker who can explain American policy, and this is therefore a frequent criterion for selection of an AmPart.

In order to do their job effectively, American Participants should be fully informed and up-to-date on foreign policy developments. They are, to the extent possible, briefed by knowledgeable government officials before they begin their trip and by Embassy officials at each post overseas before they begin their local programs. This practice is fully consonant with our basic principle that speakers must be able to interpret USG policies and the rationale for those policies. It is in no sense an attempt to limit their right of free speech, that is, to express the perceived opinions of various segments of the American public or their own personal convictions which may be at variance with official policy. In fact, constructive criticism adds to an AmPart's credibility and speaks admirably of the freedom of dissent in the U.S. democratic system.

Question 12. In the fiscal year 1982–83 USIA authorization, the Congress adopted a Pell amendment mandating that certain Fulbright-Hays Act exchange programs be doubled between fiscal years 1982 and 1986. USIA Director Charles Z. Wick, writing on behalf of the administration, supported the Pell amendment as part of an arrangement wherein the Congress increased USIA's overall budget.

At the signing of the authorization legislation, however, the administration announced it would seek legislative relief from the Pell amendment. The fiscal year 1984 bill proposes to repeal the doubling mandate guaranteeing that the fiscal year 1982 levels be continued as floor levels for the exchanges.

Last year, the administration agreed to support the Pell amendment to double exchanges as part of an agreement whereby the Congress increased USIA's overall budget. Could you explain the reasons why you have decided not to follow through with the agreement?

In a July 21 letter to the committee, you stated: "After considerable deliberation within the administration, we are happy to report that we can support that authorization amount [e.g., the full USIA supplemental request] along with the language changes [i.e., the doubling of exchanges] accepted by the Conference Committee in its June 22 meeting."

The letter also states that "the Office of Management and Budget advises there is no objection from the standpoint of the administration to the submission of this request."

With whom did you consult before sending the July 21 letter? Did OMB in fact approve it and, if so, how do you account for the acceptance of the Pell amendment in July and a month later the statement of opposition by the President at the signing of the authorization legislation?

Answer. Congress, in enacting the "USIA Authorization Act, Fiscal Year 1982 and 1983" (Public Law 97–241) provided for a significant increase in selected

exchange-of-persons programs in fiscal year 1983 ($20 million) and mandated a doubling of then 1982 program level by fiscal year 1986. In enacting appropriations for fiscal year 1983 (Public Law 97-377), Congress provided a significantly lesser increase ($7.3 million) for the exchanges programs and effected reductions in other Agency program funding.

The reduced budget actually provided for exchanges and other Agency programs, four months after the passage of the authorization act, presumably represented Congress' latest assessment of relative priorities in a period of continuing budget constraint. The same process of priority assessment and reassessment has been taking place within the executive branch.

USIA's estimates for fiscal year 1984, including the separately identified Project Democracy budget, provide almost $95 million for the types of exchanges activities identified in the Pell Amendment. This represents a significant increase over the 1982 base level of $70 million. However, the increases over the 1982 level represented by the 1983 and 1984 estimates, if followed each year, would not result in doubling the program by 1986. This slowed pace, which results from the many competing priority needs within and outside the USIA budget, was in effect recognized by the Congress in enacting fiscal year 1983 appropriations last December.

The Administration, facing the difficulties posed by the doubling mandate in the current and projected budget environment has decided that it is imprudent to attempt to double exchanges by 1986 and is proposing to amend this requirement.

At the same time, recognizing the great importance of exchange-of-persons programs, the Agency's proposed amendment would guarantee that the selected exchange programs would fall below the 1982 level in constant dollars. Indeed, as noted above, significant increases are proposed in 1984. Further, in other closely related exchange and academic programs the 1984 estimates provides for additional increases of $10 million over the 1982 level. American studies, youth exchanges, overseas schools, student counseling and English teaching serve many of the same long-term purposes of the selected exchange programs. Many of these activities merit expansion.

With regard to the Agency's letter of July 21, 1982, several staff members of the Office of Management and Budget were consulted on the issues involved. Finally, a letter from OMB Director Stockman, also dated July 21, concurred specifically in the resource level proposed for fiscal year 1983 even though it contained a significant exchange program increase in excess of the Administration's budget.

At that time and shortly thereafter, the Administration was weighing a multi-year plan to correct critical deficiencies in the international radio broadcasting capability of the United States. It soon became clear that this effort would require large sums of money during the balance of this decade to bring VOA and RFE/RL into a strong competitve position in the world. With this major national security requirement and other needs in international affairs before it, the Administration decided that it must note the need to propose a change in the long-term aspects of the Pell Amendment. This intention was signaled in the President's signing statement in August 1982.

Question 13. Recent Jack Anderson columns (February 23, 1983, and February 28, 1983) allege that the USIA's Private Sector Programs fund relatively large grants to organizations with little experience in the exchange of persons field in order to promote short-term Administration policies in domestically controversial areas.

What is the Agency's response to the Jack Anderson columns on February 23 and 28 entitled "USIA Teaching Foreign Powers To Sway Media," and "USIA Counters Propaganda With More of It," and the February 27 Washington Post article entitled "Do We Really Need to Sell Democracy?"?

Answer. This Agency has prepared an in-depth analysis of both articles, as follows:

RESPONSE TO ANDERSON ARTICLE OF FEBRUARY 23, 1983

Question. What is the Mid-America Committee?

Answer. The Mid-America Committee was formed in 1966 to provide a platform in the Midwest for the exchange of views on international trade and investment between senior executives of the multi-national corporations and senior U.S. and foreign government officials. The Committee, a non-profit organization, also

organizes seminars on topics of current economic interest such as trade and investment in Latin America, Asia and Africa. Among prominent speakers who have participated in Mid-America activities are, former President Ford, Senator Percy, HRH Crown Prince Hasan of Jordan, Lyndon O. Pindling (PM, Bahamas), Henry Kissinger, Philip Habib, Kenneth Rush, Carlos Andres Peres (former President of Venezuela), Adlai E. Stevenson, Sol M. Linowitz, Cyrus Vance, and Harold Brown etc.

Question. Has USIA ever awarded grants to other organizations to conduct similar projects?

Answer. USIA has traditionally awarded grants to non-profit organizations that are designed to improve foreign understanding of the United States Government and the American people. For example, the Office of Private Sector Programs has recently awarded grants to the Media Institute, California State University at Northridge, and the World Press Institute to conduct similar projects.

Question. What other kinds of non-profit organizations are supported by grants from the Office of Private Sector Programs?

Answer. The Office of Private Sector Programs supports organizations like Operations Crossroads Africa, the American Political Foundation, United States Youth Council, The Council of International Programs, and the American Council for Young Political Leaders. The programs conducted by these groups bring foreign groups to the United States for in-depth exposure to American society, values and political traditions, as well as sending American delegations abroad.

Question. Would USIA consider awarding another grant to the Mid-America Committee?

Answer. Yes, both the Latin American Area and Near East/South Asia Area are highly supportive of the Mid-America programs and the professional manner in which these projects are conducted. Consequently, subsequent proposals would be evaluated for potential USIA support. However, earlier grants in no way obligate the Agency to provide funding for future activities conducted by the Mid-America Committee.

Question. What criteria were used to select participants in the recently completed project for Latin American Government Press Spokesmen?

Answer. A USIA cable announcing the project was sent to all posts in Latin America. Posts followed standard nominating procedures in determining whether to participate in the project.

Question. What are these standard procedures?

Answer. All posts operate within the framework of a country plan. If the proposed project falls within the country plan, the post may choose to participate. All participants for both projects were selected by U.S. Posts overseas and not by the Mid-America Committee.

Question. Why didn't other Latin American countries participate?

Answer. The major reasons that other Latin American countries were unable to participate were the visit to Latin America by President Reagan and the inauguration of the new Mexican President.

Question. Does USIA try to improve the "image" of other nations within the U.S. press?

Answer. USIA is not involved with any efforts to improve the image of foreign governments within the United States. The Jack Anderson column misstates the purpose of the seminars by describing them in this way. He later in the article does reflect the actual purpose of the program, "as an effort to educate foreign officials in the unfamiliar workings of a free press." Giving foreign press officials an understanding of the operations of a free press and its integral role in a free society is totally congruent with USIA's mission of telling America's story abroad.

Question. The article indicates that the seminar program was a "propaganda vehicle from the very start." Is this statement accurate?

Answer. The Anderson article presents a narrow and inaccurate description of the seminar program. Conference participants met with a wide variety of leaders in American journalism, including the Editors of ABC News (Washington), Patrick Buchanan (syndicated columnist), Robert Schieffer (CBS Correspondent), John MacLean (Correspondent, Chicago Tribune), Karen De Young (Foreign Editor, Washington Post), John McLaughlin (Producer-moderator "The McLaughlin Group"), John Pearson (Senior Editor, Businessweek), Bill Aherne (Assistant Managing Editor, AP), Seymour Topping (Managing Editor, the New York Times) as well as the Foreign and Assistant Foreign Editors of the Times.

None of these presentations, exchanges, was mentioned in the Anderson article—thereby leaving the false impression that the seminar program was partisan, restricted, and biased.

Question. Why is it that the only Congressional visit was to Senator Jesse Helms?

Answer. Several attempts were made to set up appointments with a variety of leading Congressional figures. Congress was out of session when appointments were being set up, and of the offices where appointments were requested, only Senator Helms' office agreed to meet the Mid-America Committee's request. This meeting constituted only one hour in the entire program, and to use it to characterize the overall seminar is misleading.

Question. What is Ian MacKenzie's relationship with the Mid-America and USIA?

Answer. The USIA grant was made to the Mid-America Committee of which Mr. Thomas Miner is the President. The Committee decided to hire Mr. MacKenzie on a consultancy basis to assist them logistically in the development of the first program. Mr. MacKenzie is President of his own public relations firm (MacKenzie and McCheyne Inc.).

USIA RESPONSE TO THE ANDERSON ARTICLE OF FEBRUARY 28, 1983: "USIA COUNTERS PROPAGANDA WITH MORE OF IT"

Statement: The Anderson column refers to "Reilly's grants of the taxpayer's money."

Grant applications received by the Office of Private Sector Programs at USIA are assigned to a program officer whose responsibility is to insure that the grant is in the format used by USIA. The budget is submitted to the Budget Division of the Executive Office of the Educational and Cultural Affairs Directorate and the grant application is sent to the relevant Area offices for their comments on its applicability to the Agency's goals. The grant application then undergoes an internal panel review in the Office of Private Sector Programs. When the budget has been approved and the Area office has indicated its support, the application is sent to the Agency's grant evaluation panel. The grant evaluation panel then meets and votes to recommend or not recommend funding of the grant application.

The approved grant application is then sent to the Associate Director for Educational and Cultural Affairs for review. The Associate Director, if he also recommends approval, forwards the grant application to the Office of the Director. Only when the Office of the Director approves the grant, is it sent to the Office of Contracts which draws up the official grant agreement.

This exhaustive and extensive review process prevents individuals from monopolizing or misusing the grant procedure—as suggested by Mr. Anderson.

Attached is a copy of the grant review procedures (see page 63).

Statement: Mr. Anderson claims that USIA has been "doling out bundles of money to conservative organizations with the right ideological tilt." He claims that this trend is most evident in USIA's Private Sector Program.

In fiscal year 1982, the Office of Private Sector programs made 102 grants for a total of $7,603,284. The Private Sector Office issued 64 of these grants for $5,235,649 to institutions which have traditionally received financial support from USIA (grants list attached). The Office also approved 38 grants for $2,367,635 to a variety of institutions which had not previously received financial support from USIA (list attached). Grants to new recipients constituted 31 percent of the total fiscal year 1982 budget.

Statement: The Anderson article states that "Reilly is an alumnus of Claremont College. . . . So is Peter Schramm, who now runs the Claremont Institute." He goes on in the article to impute that this constitutes a conflict of interest since, as he claims, some of the grant money has gone to Claremont College—and that Peter Schramm teaches there as well.

There is no such thing as Claremont College. Mr. Reilly received a M.A. from Claremont Graduate School. Schramm received his doctorate from Claremont Graduate School.

Anderson implies that there is a relationship between the Claremont Institute and "Claremont College." In fact, the Claremont Institute is an independent, educational, tax-exempt, research organization. The Institute has no formal association with "Claremont College," or any of the six colleges in the city of Claremont, California. (These colleges are, as a whole, called the Claremont

colleges. They are: Pomona College, Scripps College, Claremont Graduate School, Harvey Mudd College, Pitzer College, and Claremont McKenna College).

Peter Schramm, the president of the Claremont Institute, teaches one course as a Visiting Assistant Professor at Claremont McKenna College. It is a course, ironically entitled, "Political Journalism."

No other staff member of the Claremont Institute teaches at the Claremont colleges. However, members of the staff occasionally teach at other institutions in southern California. For example, California State University, Fullerton; University of California, Irvine; California State College, San Bernardino. As with the Claremont colleges, the Institute has no other affiliations with the above-named schools.

Of nine guest speakers at last year's seminar for Europeans, only two of the speakers were professors from the locally convenient Claremont McKenna College (Harry V. Jaffa and Harold W. Rood).

The only services of any of the Claremont Colleges utilized by the Institute was for the use of Scripps College's dormitory facilities and cafeteria. During the summer months and during holidays while students are not in attendance, the colleges routinely rent out their facilities to various organizations. Since the seminar is an academic seminar, the organizers felt that an academic setting (as compared to a hotel) would be more conducive to the dialogue. The participants agreed. In addition, the dormitory facilities kept costs down in accordance with government requirements. Per diem rates are $87 per day. Neither Mr. Reilly nor Mr. Schramm are alumni (nor alumnae) of Scripps College nor do they have any other association with it.

Statement: "What is USIA giving Lefever's institute $200,000 for . . . To discredit the peace movement?"

USIA approved a grant for $192,145 to the Ethics and Public Policy Center and not to Ernest Lefever. The objective of a series of four conferences (three in Western Europe and one in Washington) is to foster a free and open discussion among American and European religious leaders and knowledgeable spokespersons in security affairs who hold diverse views on nuclear weapons, deterrence and arms control. It is true that USIA sponsors activities which include, in part, some explanation of Administration policies, but not to the exclusion of an open frank debate designed to advance mutual understanding.

Statement: "Lefever's proposal is to hold seminars for European church leaders who are 'in the forefront of the anti-nuclear movement.' . . . One congressional source said, in effect, lots of luck. 'The Europeans aren't stupid,' the source said. 'They aren't going to buy a Soviet-style, one-sided propaganda effort.'"

The European seminars will include both those European religious leaders in the forefront and in opposition to the anti-nuclear movement. The original EPPC proposal (July 1982) included among potential participants Dr. James R. Schlesinger and the Most Reverend John J. O'Connor. In an effort to insure both informative and balanced American participation, EPPC has subsequently invited as American speakers: Roger Molander (formerly of the NSC and founder of the Ground Zero Movement); Dr. Harold Brown; and Dr. John Steinbrenner (a Nuclear Freeze advocate). EPPC is also seeking participation by one of the Catholic Bishops most directly involved in the first two drafts of the "Pastoral Letter." The conferences are still in the development stages, but should prove both informative and stimulating.

Statement: "Internal USIA documents indicate that Lefever isn't planning to run his seminar on the cheap. In addition to paying a large part of his own salary, the USIA grant would provide $1,000 and $1,500 fees for seminar speakers. Lefever explained that 'top talent cannot be enlisted at bargain-basement prices.'"

The $1,500 speakers fee is wrong. Some participants will receive an honorarium of $1,000, but the article does not include the fact that these tentative American participants are very prominent (two former Secretaries of Defense) and will take part in five days of activities in Europe $200/day). U.S. Government participants, of course, receive no honoraria. The grant provides 15 percent of Dr. Lefever's salary. His responsibility includes the development, coordination and execution of four international seminars with a total of approximately 300 participants over the course of one year.

Statement: "Speakers are to be paid $1,000, according to the grant agreement."

This statement is accurate, but does not include the fact that these tentative American participants are very prominent (two former Secretaries of Defense) and will take part in five days of activities in Europe ($200/day). U.S. Government participants, of course, receive no honoraria.

Statement: "The "grant agreement" says that the European "peace movement" is inflamed by the media and has had the direct and indirect support of the Soviet-controlled World Peace Council."

No such statement appears in the "grant agreement." Then again, there are many articles in the open literature which confirm this observation.

Statement: "Another questionable USIA grant was approved for the Center for Education and Research to expose 'future leaders' of Guatemala to the marvels of the capitalist system. The original grant application budgeted a thousand dollars a day for faculty pay plus $3,000 for a dinner. Following protests by an outraged USIA official, the Guatemalan seminar was cut back to $600 a day for faculty and no $3,000 dinner."

The grant to which Mr. Anderson refers was approved, but not yet made, to the Center for Education and Research in Free Enterprise at Texas A&M University. The purpose of the grant was to expose the participants to an exposition of the free enterprise system as well as techniques of strategic management.

The budget from each original grant application is carefully scrutinized by the budget division of the executive office of the Bureau of Educational and Cultural Affairs. Each budget must meet government standards for reasonable costs including expenses for meals and accommodations at rates not to exceed the government rate of per diem. Consequently, the approved budget is often a modification of the grant applicant's original budget. In this grant proposal the cost for faculty honoraria was approved at $600 per day, which translates into $150–$300 per lecture including time for preparation. The alleged $3,000 dinner was in fact a proposal for three dinners at $1,000 per dinner which averaged out at $25 per person. However, the Center was advised, as are all of our grant applicants, that we are unable to cover the costs for special dinners that exceed the allocation for meals based on the government rate of per diem.

Mr. Anderson alleges that the modifications of this particular budget as originally submitted resulted from protests by an outraged USIA official. There was no such protest of outrage, but rather the consideration and subsequent revisions of this proposal, including budget, were the result of the routine assessment of the proposal which was conducted by Agency professionals.

Question 14. Should the Private Sector Grants issued under the authority of the Fulbright-Hays Act reflect the politics of the Administration currently in power or should they be scrutinized to insure that the scholarly integrity and non-political nature of educational and cultural exchanges be maintained?

Answer. All grants awarded by the Office of Private Sector Programs are subject to the most rigorous scrutiny according to established standards. Grants are awarded on a non-political basis and are structured to aid USIA in achieving the goal of the Fulbright-Hays Act: "to assist in the friendly, sympathetic, and peaceful relations between the United States and other countries of the world."

Question 15. To what extent should USIA be an agent of the U.S. policy abroad, and to what extent should it promote mutual understanding through purely academic cultural and educational exchange?

Answer. USIA has a responsibility to carry out both mandates. Under the Smith-Mundt Act, the Agency is charged with explaining American policy overseas. Under Fulbright-Hays, USIA is responsible for increasing mutual understanding through the conduct of educational and cultural exchange. Both activities are essential and appropriate in the national interest.

Question 16. Could you provide for the record a list of the private sector grants USIA has made, to whom and for what purposes for the last 5 years? How many of these grants were solicited by USIA?

Answer. Agency records do not indicate whether grants were solicited by USIA. A search of current and past files is underway in an effort to be totally responsive to this question, and further information will be provided at a later date. It should be understood, however, that there is nothing improper in requesting applications from potential grantees, and such applications go through the standard Agency review process.

[ATTACHMENT A]

1979 Grants

Institution	*Amount*
1. Indiana University Foundation	$39,465
2. National Committee on United States-China Relations	310,000
3. Academy for Educational Development	226,011
4. Adventure in Education	55,000
5. African-American Labor Center	63,000
6. Alabama Consortium for the Development of Higher Education	10,500
7. Amateur Basketball Association of the United States of America	18,000
8. American Association for the Advancement of Slavic Studies	2,816
9. American Association for the International Commission of Jurists, Inc	5,000
10. American Bar Association	6,547
11. American Conservatory Theater	13,450
12. American Council of Young Political Leaders	481,112
13. American Economic Association	5,000
14. American Field Service	130,000
15. American Library Association	48,690
16. American Political Science Association	18,690
17. American Society of International Law	70,000
18. American Universities Field Staff	24,396
19. Appeal of the Conscience Foundation	25,000
20. University of Arizona	63,256
21. Asia Foundation	700,000
22. Asia Society, Inc	340,986
23. Aspen Institute for Humanistic Studies	25,000
24. Atlanta University	33,237
25. Atlantic Council of the United States	15,000
26. Bethune-Cookman College	16,225
27. Broadcasting Foundation of America	40,000
28. University of California at San Diego	13,941
29. University of California at Los Angeles	15,287
30. University of California at Santa Barbara	26,427
31. Caribbeana Council	15,350
32. Center for Inter-American Relations	50,176
33. University of Colorado	10,140
34. Committee on Atlantic Studies	4,500
35. Community Television Foundation of South Florida, Inc	41,851
36. Council on Afro-Asian and National Affairs	79,804
37. Council for International Urban Liaison	15,000
38. Dimensions in Aging, Inc	4,500
39. Education Development Center	32,258
40. Experiment in International Living	100,606
41. Farmers and World Affairs, Inc	36,715
42. Free Trade Union Institute	86,400
43. Georgetown University	98,540
44. Hampton Institute	20,546
45. Harvard University	51,938
46. Indiana University	164,641
47. International Association of Law Libraries	5,000
48. International Management and Development Institute	79,888
49. International Theater Institute of the United States, Inc	102,431
50. Japan Society, Inc	119,887
51. Johns Hopkins University	8,000
52. Johnson Foundation	8,373
53. Charles F. Kettering Foundation	6,420
54. Kosciuszko Foundation	8,000
55. Latin American Studies Association	15,500
56. Law of the Sea Institute, Inc	23,800
57. League of Women Voters Educational Fund	13,500
58. Meridian House International	25,205
59. Michigan International Council	13,500
60. Michigan State University	40,361

1979 Grants—Continued

Institution	*Amount*
61. Middle East Institute	$79, 500
62. Montana State University	16, 676
63. Morehouse College	68, 161
64. National Academy of Sciences	360, 000
65. National Association for Equal Opportunity in Higher Education	10, 000
66. National Association for Girls and Women in Sports	6, 480
67. National Association for Inter-Collegiate Athletics	7, 850
68. National Association of the Partners of the Alliance	207, 372
69. National Council of Community World Affairs Organization	6, 200
70. National Council of Negro Women	89, 266
71. National Council for the Social Studies	80, 000
72. National Council for the Young Men's Christian Association of the USA	83, 173
73. National 4-H Council	97, 420
74. National Governors Association	45, 096
75. University of New Mexico	29, 484
76. Omega Upsilon Tau Fraternity	12, 000
77. Overseas Education Fund of the League of Women Voters	101, 700
78. Pan American Development Foundation	45, 000
79. University of Pennsylvania	113, 960
80. Phelps-Stokes Fund	25, 000
81. Policy Sciences Center, Inc	10, 000
82. Resources for the Future	60, 000
83. St. Augustine's College	13, 000
84. San Diego State University Foundation	36, 500
85. Southern Consortium for International Education, Inc	24, 057
86. Southern University	18, 010
87. Syracuse University	22, 000
88. University of Texas at Arlington	2, 500
89. University of Texas at Austin	76, 810
90. Texas Cultural Alliance	3, 500
91. Texas Southern University	22, 184
92. Theatre of Latin America	45, 000
93. Town Affiliation Association of the U.S., Inc	275, 126
94. Tufts University	82, 120
95. U.N. Association of USA	10, 000
96. U.S. Conference of Mayors	17, 815
97. U.S. Lawn Tennis Association	18, 120
98. United States Youth Council	413, 305
99. University of Washington	57, 352
100. Washington Council on Internal Trade	5, 000
101. George Washington University	164, 775
102. Woodrow Wilson International School for Scholars	18, 845
103. Youth for Understanding	105, 700
Total	7, 097, 440

[ATTACHMENT B]

1980 Grants

Institution	*Amount*
1. Council of International Programs	$535, 390
2. Operation Crossroads Africa, Inc	1, 939, 230
3. United States Youth Council	341, 209
4. Academy of American Poets	2, 000
5. Academy for Educational Development, Inc	22, 480
6. Adventure in Education	1, 330
7. African-American Exchange Program	5, 000
8. African-American Labor Center	189, 535
9. Alabama Consortium for the Development of Higher Education	18, 692
10. American Association for the International Commission of Jurists, Inc	15, 000

1980 Grants—Continued

Institution	*Amount*
11. American Council of Young Political Leaders	$532,908
12. American Field Service	140,000
13. American Forum for International Study, Inc	12,000
14. American Graduate School of International Management	4,800
15. American Institute of Free Labor Development	31,105
16. American Library Association	1,595
17. American Political Foundation	15,000
18. American Political Science Association	5,291
19. American Society of International Law	70,000
20. American University	2,000
21. American Universities Field Staff	39,820
22. Appeal of the Conscience Foundation	12,000
23. University of Arizona	67,888
24. Arizona Commission on the Arts	10,075
25. Asia Foundation	700,000
26. Asia Society, Inc	321,052
27. Aspen Institute for Humanistic Studies	20,000
28. Bethune-Cookman College	18,914
29. Bishop College	9,113
30. Boston Foundation, Inc	50,000
31. Broadcasting Foundation of America	100,000
32. Brookings Institution	25,000
33. University of California	20,000
34. Center for Inter-American Relations	15,000
35. Center for Women and Work	274
36. Coalition of Women's Art Organizations	20,000
37. Colombia University	12,000
38. Coordinating Council for International Issues	36,264
39. Council of Chief State School Officers	4,000
40. Consulting Group, Inc	469,765
41. Development Group for Alternative Policies	8,500
42. Dillard University	18,095
43. Dimensions in Aging, Inc	2,900
44. Experiment in International Living	140,570
45. Eugene O'Neill Theatre Centre	25,000
46. University of Florida	14,227
47. Georgetown University	145,095
48. Hampton Institute	23,015
49. Harvard University	59,601
50. College of the Holy Cross	41,096
51. Howard University	25,533
52. Indiana University	14,210
53. Institute of Art and Urban Resources	11,000
54. Institute of International Education	27,873
55. International Council for Educational Development	50,000
56. International Theatre Institute for the U.S., Inc	100,010
57. International Writers Services	5,000
58. Jackson State University	19,006
59. Japan Society, Inc	206,635
60. Johns Hopkins University	11,000
61. Johnson Foundation	10,200
62. Charles F. Kettering Foundation	57,570
63. La Mama Experimental Theater Club, Inc	20,000
64. Latin American Studies Association	16,012
65. Le Moyne-Owen College	13,328
66. Living Arts and History Center, Inc	16,269
67. University of Louisville	5,301
68. Michigan International Council	15,000
69. Michigan State University	37,000
70. Middle East Institute	17,430
71. Montana State University	6,586

1980 Grants—Continued

Institution	*Amount*
72. Morehouse College	$42,066
73. National Academy of Sciences	360,000
74. National Association for Equal Opportunity in Higher Education	2,000
75. National Association of the Partners of the Alliance, Inc	277,050
76. National Center for Economic Alternative, Inc	2,000
77. National Committee on United States-China Relations, Inc	649,087
78. National Committee to Honor the Fourteenth Centennial of Islam	24,600
79. National Conference of State Legislature	2,000
80. National Congress of Neighborhood Women	13,850
81. National Council of Negro Women	8,395
82. National Council of the Young Men's Christian	77,300
83. National 4–H Council	70,000
84. National Governors' Association	20,000
85. New Mexico University	65,378
86. New Mexico State University	4,894
87. New TransCentury Foundation	64,317
88. North Carolina University	56,991
89. Ohio State University	10,820
90. Omega Upsilon Tau Fraternity	10,000
91. Oregon State University	46,731
92. Organization of American Political Leaders, Inc	7,400
93. Pan American Development Foundation	48,639
94. Phelps-Stokes Fund	218,183
95. Pittsburgh University	38,118
96. Public Knowledge, Inc	14,180
97. Ralph Bunche Institute on the United Nations	17,780
98. Saint Augustine's College	24,210
99. Southern Consortium for International Education, Inc	12,000
100. Syracuse University	22,866
101. Temple University	30,000
102. Texas Southern University	23,915
103. Theatre of Latin America, Inc	20,000
104. Transylvania University	14,600
105. United States Olympic Committee	65,000
106. United States Youth Council	168,680
107. George Washington University	51,504
108. Women's Institute for Freedom of the Press	37,008
109. Woodrow Wilson International Center for Scholars	30,000
110. World Without War Council of Greater Seattle	2,000
111. Young Women's Christian Association	25,000
112. Youth for Understanding	140,000
Total, fiscal year 1980 grants	9,817,354

[ATTACHMENT C]

List of fiscal year 1981 grants

CATEGORY No. 1

Institution	*Amount*
National Association of the Partners of the Americas	$402,132
	*13,040
	*100,000
The American Council of Young Political Leaders	569,013
	*50,000
The United States Youth Council	380,055
	*33,510
	*50,000
The United States Youth Council—Labor Desk	180,610
	*50,000

Footnote at end of table.

List of fiscal year 1981 grants—Continued

CATEGORY No. 1

Institution	*Amount*
Youth for Understanding	$140,000
	*70,000
American Field Service	140,000
	*70,000
Experiment in International Living	140,000
	*70,000
Sister Cities International	151,000
	*40,000
	*34,500
11 Black College Consortia	268,302
Operation Crossroads Africa	1,895,726
	*205,000
Asia Foundation	500,000
Asia Society	345,000
	*50,000
Japan Society	196,900
National Committee on United States-China Relations	327,207
	210,000
Committee on Scholarly Communication with the PRC	330,000
Council for International Programs	465,729
	*67,650
	*100,000
Escort-Interpreter Fund (ACYPL, USYC, USYC-LD, NCUSCR)	233,405
Category 1 total	7,878,869

CATEGORY No. 2

U.S. Cultural Specialists—Sports	75,000
University of Washington—KCTS/9 TV	48,000
Africa Studies Association	35,000
Phelps-Stokes Fund	65,000
Aspen Institute for Humanistic Studies	25,000
Transylvania	3,192
Harvard Semitic Museum	51,678
Coordinating Council for International Issues	6,270
Amideast Tunisia	35,000
University of Illinois' Center for Asian Studies	95,000
University of Chicago's Center for Middle Eastern Studies	50,000
The Partnership for International Development	50,000
	*5,000
American Universities' Field Staff	4,000
Caribbean Center American Action	15,000
Development Group for Alternative Policies	8,000
Southern Consortium for International Studies	15,000
University of Florida's Center for Latin American Studies	15,000
Caribbean-U.S. Theater Exchange	32,180
United States-Mexico Journalists' Symposium	5,000
National Association of the Partners of the Americas	8,250
University of Texas	15,000
Institute for Urban and Regional Development	15,000
Bilateral Mexican-American Cultural Commission	10,000
University of Arizona's Latin American Area Center	6,500
Inter-American Bar Foundation	20,000
U.S.-Brazilian University Linkages	7,228
Colonnades Theater Lab	50,719
Category 2 total	771,017

Footnote at end of table.

List of fiscal year 1981 grants

CATEGORY No. 3

Institution	*Amount*
Organization of American Political Leaders	$5,000
American Institute of Free Labor Development	25,000
Charles F. Kettering Foundation	49,065
	*2,000
Boston Foundation	7,500
National Governors Association	26,400
U.S. Conference of Mayors	15,260
Asian-American Free Labor Institute	40,000
National Conference of State Legislatures	15,000
	*26,400
National Association of Counties	12,000
National Association of Attorneys General	19,560
American Political Foundation	59,632
	*26,648
	*22,380
The Atlantic Council of the United States	48,000
Education Abroad Programs	60,000
Howard University Graduate School of Arts	18,654
Spelman College	6,030
Central State University	10,700
Joint Center for Political Studies	19,825
Council on Religion and International Affairs	10,000
SER—Jobs for Progress, Inc	11,250
Three Inter-Agency Minorities Conferences	30,000
American Dance Festival	11,800
Capital Children's Museum	25,485
Birmingham Festival of the Arts	6,400
Roadwork, Inc	20,000
International Theatre Institute	63,000
International Council on the Future of the University	18,750
Council for the Advancement of Small Colleges	20,000
University of Georgia	14,000
International Women's Tribune Center	20,000
State University of New York at Albany	30,000
American Association of Community and Junior Colleges	6,000
University of Illinois	10,000
University of Minnesota	15,500
Broadcasting Foundation of America, Inc	57,000
Academy for Educational Development	25,000
Corporation for Public Broadcasting	19,765
Astoria Motion Picture and TV Center Fund	23,000
Caribbean Council	10,640
Southern Illinois University at Carbondale	15,500
Women's Institute for Freedom of the Press	9,000
American University	10,600
International Management and Development Institute	50,000
Middle East Institute	57,000
Pan Pacific Community Association	18,000
National League of Cities	2,000
George Washington University	15,000
National Youth Work Alliance	20,000
Dimensions in Aging	1,400
National Board of the YWCA	44,000
American Statistical Association	15,000
New TransCentury Foundation	1,574
Mobile International Relations Committee	17,000
Center for Population Activities	15,000
National Association of Social Workers	40,000
American Foundation for the Blind	19,545
Indiana University—PRC Writers Project	59,975

List of fiscal year 1981 grants—Continued

CATEGORY No. 3

Institution	*Amount*
University of Texas Conference	$2,404
University of Florida—Purchase Order	1,000
SUNY-Research Foundation	10,000
European-American Institute for Security Research	29,845
Johns Hopkins University	13,900
American Scandinavian Foundation	18,084
Eugene O'Neill Theatre	5,000
University of Arizona	11,000
U.S. Sports Academy	10,000
U.S. Sports Academy	12,000
Alma Law—Purchase Order	1,000
National Academy of Science	32,000
AIMRET—League of Cities	57,920
Johnson Foundation	8,000
National 4–H Council	86,495
National Strategy Information Center	50,000
Institute for International Education	2,000
SUNY-Yugoslavia Project	2,000
Fund for Multinational Management Education	79,059
Institute for Foreign Policy Analysis	47,467
Advanced International Studies Institute	50,000
National Strategy Information Center	22,000
University of Miami	108,530
Council for Inter-American Security	29,533
University of New Mexico Conference	15,000
Appeal of Conscience Foundation	15,000
Naif S. Attiyeh Foundation	2,000
University of Florida (Dominican Republic)	14,872
French-American Foundation	10,000
Georgetown University (Poland)	5,000
Indiana University (Serbian Relations)	10,000
Turkish Studies Association	24,960
Netherlands-American Amity Trust	10,000
Category 3 total	2,169,307
Grand total	10,819,193

*Indicates funds to be used for fiscal year 1982.

[ATTACHMENT D]

Complete listing, fiscal year 1982 private sector grant programs, Sept. 30, 1982

Grantee, (amount), and function code	*Description*
1. Council of International Programs ($256,465) N–5021.	The Council, in collaboration with the Agency, offers opportunities for foreign professionals in a variety of human services fields to visit the U.S. for 4- and 13-month periods and work in service agencies in their respective specialties. Grant will cover full travel for 17 participants and program support for 75 participants. Partial support will be provided for the remainder of the 173 participants.
2. Partners of the Americas ($199,838) N–6122.	To assist the Partners in conducting the PATH Americas Project. (Department of Education administered program.)
3. American Council of Young Political Leaders ($309,627) N–1023.	This grant will provide funds for five separate exchange projects—four delegations consisting of young political leaders from the U.S. to meet with their counterparts: six in Brazil, 11 in Jamaica, and 12 in Norway, Denmark, and The Netherlands, to discuss areas of common interest including current bi-lateral relations. Grant will also provide funds to allow ACYPL to bring 30 European young political leaders to the U.S. to observe our election process.
4. Sister Cities International ($76,500) N–5024.	To assist the Association in meeting its program objectives for FY 82.
5. Operation Crossroads Africa ($1,239,825) N–5025.	In collaboration with the Agency, Crossroads provides opportunities for approximately 200 African professionals to visit in the U.S. for one-month periods to participate in the American experience and its political, cultural, and social diversity; and to exchange and obtain information concerning the latest technology and methodology in their respective professional fields.
6. Partners of the Americas ($180,000) N–6123.	To support the "Inter-American Community Leader Exchange," for 140 participants. Project is designed to make the network of 56 state-to-country partnerships available for an exchange of volunteer community leaders and other key professionals between the U.S. and Latin America/the Caribbean.

Grantee, (amount), and function code	*Description*
7. U.S. Youth Council ($203,955) N–2021..	To assist the Council to conduct a series of exchange study tours for young U.S. political leaders and their counterparts overseas. Two Americans will travel to the Caribbean (Barbados, Jamaica, and Trinidad), nine to Israel and Egypt, and four to Africa. Six young leaders will come from Barbados, Jamaica, and Trinidad.
8. U.S. Youth Council Labor Desk ($99,067) N–2022.	To assist the organization in conducting a series of exchange study tours between U.S. labor leaders and their counterparts in Federal Republic of Germany, France, and Italy.
9. AFS International/Intercultural Programs ($100,000) N–5026.	To provide financial assistance for bringing high school students from Third World countries to the U.S. for one-year home stays.
10. Experiment in International Living ($100,000) N–5027.	The Agency funds are directly responsible for the establishment and maintenance of a growing volunteer network, composed of individuals and major national service organizations, thereby increasing the level of awareness and quality of participation of thousands of new individuals and families in international educational exchange.
11. Youth for Understanding ($100,000) N–5028.	The grant to the YFU high school student exchange program will support training workshops for volunteers and orientations for international students and their host families.
12. Asia Foundation ($99,500) N–5441.....	Model English Language Training Program at the University of Baluchistan and Northwestern University, September 19, 1982–June 1983, in cooperation with the Government of Pakistan. Will include training for four university-level Pakistani teachers of English in the U.S. and services of one TOEFL specialist from the U.S. for one academic year.
13. Asia Society (Indo-U.S. Subcommission on Education and Culture) ($180,416) N–6401.	Grant enables the Asia Society to maintain a small staff which acts as the American Secretariat of the Subcommission, as mandated by the U.S.-Indian Agreement of 1974, and to conduct jointly approved exchange projects. Grant expires 10/31/82.
14. Japan Society (CULCON) ($41,879) N–6302.	To cover travel expenses for CULCON delegates to attend Joint Committee meeting in Tokyo, June 1982.

15. Wilson Center (Korea Project) ($15,000) N–5301.	Conference on "A Century of U.S.-Korean Relations," June 17–19, 1982, Washington, D.C. Funds will support travel, per diem and honoraria for approximately 10 speakers.
16. USYC Labor Desk ($140,110) N–2221___	To bring 30 to 40 young political leaders from Great Britain and Germany to engage in counterpart meetings.
17. City College of New York (Graduate School) ($1,000) N–6251.	Honorarium to Alma Law to develop program for visit of Soviet playwright Edward Rodzinsky.
18. Center for the Study of the Presidency ($2,000) N–1251.	To support the Center's assistance of approximately 10 Canadian parliamentary interns in attending the joint Canadian-U.S. Conference on "Government and Media."
19. Woodrow Wilson International Center for Scholars ($30,000) N–2151.	To assist the Center in conducting two U.S.-Latin American Policy Dialogues which will bring together opinion leaders from U.S. with their counterparts from Venezuela and English-speaking Caribbean countries, 10/81–11/1/81. There will be 40 participants (16 grant funded).
20. American Political Science Association ($6,000) N–2252.	To assist the association in conducting a short-term observation and consultation program in the U.S. for approximately 10 Canadian parliamentary interns and their academic director, February 1982, Wash., D.C.
21. VPS-Meridan House ($11,500—Amendment) N–1053.	50 representatives from UN Mission to attend March launch of space shuttle, Columbia.
22. Georgetown University Center for Strategic and International Studies ($5,000) N–1051.	To assist the University in support of the Ninth Annual Williamsburg Conference, April 23–25, 1982. This year the theme is "American Commitments and the Contest of Ideas." The Conference brings together more than 100 Members of Congress, U.S. policy-makers, scholars, and journalists to exchange views on the shape and directions of our foreign policy. Five participants are grant-supported.
23. Claremont Institute ($75,500) N–5251___	To assist the Institute in conducting a one-month program in American studies (democracy, foreign policy and culture) for 20 academics, journalists, and government officials (ages approximately 25–40) from Western Europe and Canada, Claremont, California, July 19 through August 13, 1982.

Grantee, (amount), and function code	*Description*
24. Kettering Foundation ($20,000) N–5051.	To assist the Foundation to hold 6-day series of activities at the International Leadership Institute for leaders of community-based private voluntary organizations. The program will bring together approximately 75 participants representative of the Consortium and other community volunteer organizations in the international exchange field, Summer 1982.
25. Center for the Study of the Presidency ($2,000) N–1252.	To assist the Center in conducting its Thirteenth Annual Student Symposium on "Separation of Powers and Power to Govern", March 12–14, 1982, in Washington, D.C.
26. Ripon Educational Fund, Inc. ($3,500) N–2251.	"Ripon-Bow Conference" is designed to bring together Conservative Party members of the Parliament of Great Britain and Republican Party Members of the U.S. Congress to discuss economic and political issues of common concern, Washington, D.C., April 21–24, 1982.
27. Young America's Foundation ($39,680) N–5252.	To assist the Foundation in conducting a two-week summer conference at American University, Washington, D.C., on the American political culture for approximately 40 American and 40 European students at the undergraduate and graduate school level, March 7–September 30, 1982.
28. Harvard University ($8,368) N–2041.	To enable 16 Harvard foreign Fellows to participate in a series of briefings by American officials from USICA, State, NSC, the Pentagon, Members of Congress, and Inter-American Development Bank, Washington, D.C., May 10–14, 1982.
29. University of California at Davis ($50,000) N–2152.	To assist the University in conducting a two-day conference entitled "The National Economic Policies in Chile" to be held in California January 1983. Forty participants (20 to be grant-funded) include professional economists, policymakers and analysts, representatives from the media and other specially selected guests from U.S., Chile, Argentina, and Brazil.
30. Media Institute ($82,838) N–0141.	12–15 Brazilian mid-career journalists to attend program developed by the Institute consisting of 13 days in Washington and New York and eight days of academic programs at the University of Missouri, July 17 through August 1, 1982.

31. University of Miami ($35,465) N–0142--	Conduct two week-long professional seminars in USICA Guatemala, June 21–25, and USICA Santo Domingo, June 14–18, on various aspects of American society for their important DRS contacts. University selects slate of Spanish-speaking professionals to deliver series of lectures. Will include 14 U.S. participants.
32. University of Illinois ($49,939) N–3041--	To assist the University in conducting an eight-day colloquim entitled "Perspectives on the Regulation of Anti-Competitive Practices: A U.S.-Latin American Dialogue" April 19–26, 1983, in conjunction with 20 U.S. Government officials, corporate leaders and attorneys paricipating.
33. Foreign Policy Research Institute ($2,990) N–2042.	To supplement per diem costs of 16 international experts who will participate in an arms control seminar in Philadelphia, May 1982.
34. U.S. Conference of Mayors ($25,550) N–2241.	To bring delegations of Yugoslavian and Hungarian mayors to the U.S. (Wash., D.C. and four to six other cities) in reciprocity for the visits by U.S. mayors delegations to those countries in 1981, Summer 1982.
35. National Strategy Information Center ($9,632) N–2043.	Thirty-six participants from Europe (primarily France and Italy) to attend a four-week summer course on national security issues for university faculty at Christian-Albrechts-U. of Kiel, Federal Republic of Germany, July 2–August 6, 1982.
36. African-American Labor Center ($130,000) N–2541.	To bring 25 executive officers of Nigerian unions to the United States and to send five executive of American unions to visit Nigeria for the purpose of educating and strengthening the democratic elements of Nigerian unions, Spring 1983.
37. VPS—Meridian House ($12,000—Amendment) N–1054.	Phase II—UN delegates to Columbia launching, June 27.
38. Former Members of Congress ($40,000) N–2246.	To assist the Association in conducting a seminar for young German political leaders and their American counterparts to be held during April 1983, in Salsburg, Austria.
39. U.S. Sports Academy ($25,000) N–5052-	Lectures and workshops by outstanding sports and physical education specialists in selected countries.

40. Hoover Institution on War, Revolution, and Peace ($37,350) N–2242.	Three-day seminar, "Nationalism and the Soviet Union" at the Hoover Institute at Stanford, California, involving approximately 30 international participants, Spring, 1983. Grant to cover travel and per diem.
41. American Enterprise Institute ($69,923) N–5053.	International conference on constitutionalism, to be held in Washington, D.C., Spring, 1983. "Founders" from at least six and possibly as many as 14 countries will participate.
42. Lehrman Institute ($25,000) N–2243___	Three seminars on U.S.-Federal Republic of Germany issues, Fall 1982: 1) Western Defense Policy; 2) East-West Relations after Poland; and, 3) Youth in the Federal Republic and the U.S. Approximately 20 German and American businessmen, academicians, government officials and media representatives will participate.
43. The Atlantic Council ($16,000) N–2044__	Amendment to FY 81 grant to cover air fares of 20 participants from Europe and Japan. Fifth Seminar in Young Leadership series scheduled for November, 1982, in Wisconsin.
44. French-American Foundation ($10,000) N–2244.	Support of a seminar for 15 French National Assembly Deputies and other professionals, in Washington, March, 1983.
45. Caribbeana Council ($18,550) N–5141___	Seminar for 25 journalists working in English-speaking nations and territories of Caribbean Basin, in Bridgetown, Barbados, Sept. 1982.
46. National Strategy Information Center ($25,000) N–2245.	Three one-day seminars on the military and political balance of power in Europe, to be held in France in cooperation with French Inter-University Union, in 1982 and 1983. Will be attended by 20–30 UNI leaders in key cities throughout France.
47. Rockford Institute ($35,750) N–5253__	Three-day conference on Liberty to discuss and analyze nature and benefits of free society, Frankfurt, Germany, November 18–20, 1982. Eight Principal speakers—three or four from U.S., others from England, France, Poland, Germany and Italy—and 47 additional participants.
48. UCLA Graduate School of Management ($26,300) N–3341.	To support a program in the PRC from May 29–June 13 designed to instruct the Chinese in aspects of the U.S. economic system. This will include two two-day conferences, one in Beijing, the other in Shanghai. Funds will be provided for eight UCLA professors of economics and management.

49. Indiana University ($5,000) N–5254	Grant to Bulgarian Studies Association will enable four Bulgarian scholars to participate in meeting with American academics, Boston, October 1982.
50. American Conservatory of Music ($10,000) N–6341.	To provide cross-cultural travel opportunities to 10 Chinese post-graduate music students for one year, July 1–September 30, 1982.
51. Hudson Institute ($13,760) N–2341	Conference in June, 1982, in Seoul, for American and Korean Specialists on Future Prospects for Korean Peninsula.
52. University of Texas/Arlington ($5,000) N–2250.	15 Young Romanian leaders to spend 21 days in U.S. The Romanian exchange will be directed by the University's Director of East European Exchange Program and will cover intellectual exposure to a spectrum of American political, economic, and social processes, Summer 1983.
53. International Theatre Institute ($15,000) N–6253.	Partial funding for 1982 theatre activities to foster and disseminate U.S. theatre influence in international theatre experience: Mississippi, Ballet International Jackson Playwrights Conference, Waterford, Conn. Outreach of Visiting Arts Companies.
54. Indiana University Foundation ($5,000) N–6254.	Three-day conference conducted by the Research Institute for Inner Asian Studies, Indiana University. Bloomington, Indiana in May '83, to initiate and perpetuate university linkages regarding Turkic studies as a facilitator to intellectual exchanges. More than 200 distinguished scholars and artists will participate. Approximately 45 scholars and artists are being invited from Europe, Asia, and the Far East.
55. International Management and Development Institute (IMDI) ($50,000) N–2254.	The grant is intended to support the work of the Fowler-McCracken Commission on Improving Government-Business Cooperation in the conduct of U.S. International Economic Policy.
56. University of Connecticut ($71,193) N–2255.	Three- to four-day conference in May or June 1983 to discuss the role of a university in a free enterprise economy for approximately 70 Turkish and 12 American participants.
57. European American Institute for Security Research ($35,000) N–2253.	Conference on "Reexamining Western Society", Nice, France, September 16–20. More than 30 leading defense analysts, including academicians and current or former government officials of the U.S., U.K., West Germany, France, Norway and Japan will particiapte.

58. University of New Mexico Bi-National Symposium ($19,970) N–5142.	"U.S.-Mexico Bi-National Symposium to Enhance Border Collaboration Between Education and Business Leaders," to be held February, 1983 in Brownsville, Texas and Matamoros, Mexico with 75 participants.
59. American Association of Museums ($57,450) N–5054.	Twelve museologists representing 12 museums (six U.S., six foreign) to undertake a seven-week cultural exchange program. American museum personnel engaging in exchanges will be available for post programming.
60. Warsaw GOE ($5,400) N–6252	Transfer of funds for travel of seven Warsaw University Hebrew Studies students to U.S. for program with the Union of American Hebrew Congregations in October, 1982.
61. Brussels GOE ($25,000) N–2248	Transfer of funds for U.S. tour of 31 EEC young professionals from 14 nations, for two weeks, Washington, D.C., July, 1982.
62. London GOE ($20,000) N–2249	Transfer of funds to Foreign Affairs Research Institute for seminar in London on the world balance of power, July, 1982.
63. RBO Buenos Aires ($8,000) N–2153	Transfer of funds for publication of proceedings of Symposium on Development and Independence, which was held in Lima, November 11, 1981.
64. PGM/D ($3,000) N–6041	Transfer of funds for pilot project entitled "Artistic Ambassadors." Program designed to showcase promising, outstanding, young American artists. First program, November 1982, will take place in France and Germany.
65. Ankara GOE ($12,000) N–2258	Transfer of funds will enable Post to grant funds to SISAV (The Political and Social Studies Foundation) to cover partial travel expenses of 10 American participants to SISAV conference, "NATO in the 1980's."
66. Media Institute ($100,960) N–0143	Three-week program for 15 journalists from several countries in Latin America. The journalists will attend seminars and view activities specifically targeted toward the objectives of the role of the press in a free information environment and current Administration's views on economic and political issues, one week in Washington, D.C., one week in New York, and one week at a school of journalism.

67. Media Institute ($100,960) N–0341	Three-week program for 15 journalists from several countries in East Asia. The journalists will attend seminars and view activities specifically targeted toward the objectives of the role of the press in a free information environment and current Administration's views on economic and political issues, one week in Washington, D.C., one week in New York, and one week at a school of journalism.
68. Pacific Forum ($24,931) N–2342	Core study group conference on "Pacific Basin Security Policies and Issues," October 21–23, in Hawaii. Twenty-five leaders in the analysis of Asian security affairs, selected from eight Pacific nations, will participate.
69. Center for NATO Studies Kent State University ($5,354) N–2256.	Center for NATO Studies and Center for Defense Studies of the University of Genoa will conduct a three-day conference in Italy for European and American specialists on NATO and the Mediterranean between March and June, 1983.
70. Phelps-Stokes Fund ($38,385) N–5143	Seminar on "The Role of the Individual in a Democratic Society" to be held at University of the West Indies, Kingston, Jamaica, November 8–12, 1982. Approximately 50 participants will be selected from UWI faculty/student populations, public and private sector, media, young political leaders. Ten U.S. and Jamaican specialists will act as panelists.
71. Atlas Economic Research Foundation ($5,131) N–2257.	Travel funds for five scholars to attend the Mont Pelerin Society International Meeting in Berlin, September 1982.
72. Atlas Economic Research Foundation ($36,754) N–2045.	To provide honorariums, per diem, and international travel for 55 participants to attend two three-day seminars on religion and economics in Vancouver, British Columbia, Canada, during the period August 1–September 30, 1982. Approximately half of the participating authoritative theologians and economic scholars will be from the United States, the others from Canada, Great Britain, Holland, Australia, Israel, the United Arab Emirates, and Jamaica.
73. Ethics & Public Policy Center ($192,145) N–2259.	Four three-day seminars with European religious leaders and defense specialists on "Ethics and Nuclear Arms and Arms Control." Three to be held in Western Europe: West Germany, The Netherlands, and United Kingdom; the last in Washington, D.C.
74. Institute for Foreign Policy Analysis ($30,570) N–2343.	Conference in Japan, November or December, 1982, on "Japanese, Security Perspectives and the Role of the United States in Providing for the Defense of Japan."
75. Institute for Foreign Policy Analysis ($25,464) N–2260.	Conference in Portugual, May 1983, for American, Spanish, and Portuguese specialists on the theme "Transatlantic Security and the Iberian Peninsula."

76. Institute for Foreign Policy Analysis ($30,863) N–2261.	Conference in Belgium, March 1983, on the theme "Philosophical and Religious Thought Trends Underlying the Anti-Nuclear Movement: Implications for the Atlantic Alliance."
77. National Strategy Information Center ($50,305) N–2046.	Educational exchanges in connection with five meetings of the Socialist International in Western Europe, Australia, and Africa between September 1982 and mid-1983. Fourteen participants expected to attend.
78. Foreign Policy Research Institute ($47,416) N–2262.	Week-long seminar on "Critical Defense and Foreign Policy Issues: The American Perspective," Washington, D.C. Four participants each will be selected from the United Kingdom, France, Federal Republic of Germany, Italy, and Spain.
79. Media Institute ($59,942) N–5055------	Five-day conference for 16 Ministers of Communication from Africa and East Asia focusing on improving understanding of U.S. foreign, economic, and communications policies.
80. University of Miami Law and Economics Center ($240,120) N–2154.	Series of Economics Institutes for Latin American and Caribbean policymakers, designed to give the 60 participants a foundation in free-market economics.
81. Texas Southern University ($48,643) N–3141.	Two one-week seminars on U.S. economic policies and methods to be held at TSU in Houston, November 1982, and at the University of the West Indies, Bridgetown, Barbados, April 1983, with 75 to 100 participants. Project will be co-sponsored by the Houston Chamber of Commerce.
82. U.S. Youth Council Labor Desk ($307,955) N–2344.	The Labor Desk and Georgetown University International Labor Program will establish a special educational program to help draw together the democratic left of South Pacific countries. 35–40 important young trade union and labor oriented political leaders will visit the U.S. for a two-week period.
83. Center for Strategic and International Studies (CSIS) ($34,110) N–2263.	Fifth in a series of "Quadrangular" (Canada, U.S., Japan, and Western Europe) conferences, September 21–22, 1982, on "Threats to the Industrial Democracies in the 1980's," in Washington, D.C.
84. Adam Smith Institute ($5,150) N–2264--	The Institute, in conjunction with the Law and Economics Center of Emory University, will assist in the organization of a three-day conference on "Britain and America: Mutual Lessons in Recent Public Policy."

85. Law and Economics Center—Emory University ($14,960) N–2265.	The Center, in conjunction with the Adam Smith Institute, will assist in the organization of three-day conference to explore the experiences of the Reagan and Thatcher administrations.
86. Georgetown University School of Foreign Service ($59,295) N–2047.	Week-long (Oct. 10–15) "Leadership Seminar" for selected leaders worldwide. Seminar is designed to promote an on-going dialogue among younger leaders likely to assume positions of even greater prominence.
87. Center for Advanced International Studies—University of Miami ($50,665) N–2156.	Three one-week seminars in Panama, Guatemala, and Jamaica for Caribbean Basin journalists. The seminars will be conducted in the native language of the country and will be based upon the overall topic "New Horizons in Inter-American Relations."
88. Claremont Institute ($353,426) N–5255..	Three separate seminars in American Studies each for 20 young leaders of Europe, Canada, (Summer 1983) Latin America (January 1983) and Asia (Summer 1983), to be held in Claremont, California.
89. Asia Foundation ($100,000) N–5341.....	Assist with the distribution of book collections to nations in the Near East, South Asia and the Far East.
90. Asia Foundation ($76,290) N–2345.....	Three educational exchange programs during 1982–3 academic year for one journalist from the PRC, one foreign ministry official from Papua New Guinea and four Philippine judges. All will travel to U.S. for professional training. Two U.S. judges from the National Judicial College will travel to The Philippines under the terms of the grant to help establish a judicial training institute.
91. Institute for Contemporary Studies ($76,927) N–2157.	Three-day conference on 'Problems of Economic Growth," Mexico City, December 15–17.
92. Young America's Foundation ($89,677) N–2266.	Two week conference for 36 European journalists in Washington, D.C., March 1–15, 1983.
93. Council for Inter-American Security Educational Institute (CIS-EI) ($55,567) N–2158.	Two week long seminars with Catholic University of Chile on Com,.arative Political Systems" and on a Current Issue."
94. International Management & Development Institute (IMDI) ($75,000) N–3241.	A dialogue on U.S.-European International Economic Relations" for team of eight—ten American business leaders, government officials, and academicians.

95. Educational Research Council of America ($47,150) N–5144.	U.S.-Mexico textbook study to evaluate how two societies are presented in school textbooks.
96. University of Maryland ($23,500) N–2444.	Two-week seminar for upper-level Egyptian bureaucrats on "Investment in Egypt," University of Maryland campus, late Fall 1982.
97. Institute for Foreign Policy Analysis ($17,180) N–4343.	Conference in Japan, mid-November, 1982, on "Reducing Rare Metals and Minerals Vulnerabilities." A seven-person U.S. delegation will attend.
98. American Enterprise Institute ($112,429) N–2346.	International seminar to study the Marshall Islands Plebiscite, November 1982, Majuro, Marshall Islands. Leading scholars from Western Europe and Australia will participate.
99. Alternative Educational Foundation ($88,818) N–2267.	"Intensive Program in European Perceptions of Contemporary American Intellectual and Policy Opinion," with 12 paticipants from the U.S. and 12 from Europe.
100. American Enterprise Institute ($54,142) N–5058.	Conference on Free Elections, November 4–6, 1982 in Washington, D.C., approximately 24 speakers/panelists, and 60 international observers. Participation by President Reagan, Secretary of State Schultz, and Members of Congress is scheduled.
101. Mid-America Committee ($169,810) N–2048.	To assist the Mid-America Committee in the organization of two two-week seminars in Washington, D.C., for 24 media officials from Latin America and the Middle East.
102. National Committee on U.S.-China Relations ($117,700) N–5211.	To assist the Committee in carrying out three educational and cultural exchange programs with the People's Republic of China.

Total grants	$7,603,284
Escort—Interpreters	251,350
Total, ECA/P budget	7,854,634

[ATTACHMENT E]

Descriptive listing of fiscal year 1983 private sector grants

Grantee, amount, (program officer)	*Description*
1. Operation Crossroads Africa $1,830,428 (CJ).	To fund African Leader Program which will bring 180 leaders to the U.S. for 30–45 days to participate in 17 different thematic programs.
2. Sister Cities International $113,500 (CJ)_	To support administrative costs of the Sister Cities network during FY 83.
3. Center for the Study of the Presidency $3,380 (TT).	Funds travel for six Canadian Parliamentary interns to attend three-day conference in Minneapolis on the theme "The Institutional Presidency; The Cabinet, and the Vice Presidency," November 1982.
4. Experiment in International Living $859 (LS).	Mark Twain Institute fee for one Polish candidate. Requested by American Embassy Warsaw.
5. Partners of the Americas $250,000 (MCB).	Project is designed to make network of 56 state-to-country "partnerships" available for exchange of volunteer community leaders and other key professionals between U.S. and Latin America. (130–160 participants.)
6. Council of International Programs $145,000 (CJ).	To assist foreign professionals in a variety of human services fields to visit the U.S. for periods of four to 13 months to work in service agencies in their respective specialities. Approximately 200 participants world-wide.
7. Asia Society, Inc. $255,115 (CJ)_____	Grant enables the Asia Society to maintain a small staff which acts as the American Secretariat of the Indo-U.S. Subcommission on Education & Culture, and to conduct jointly-approved exchange projects.
8. Arizona Commission on the Arts $5,000 (TT).	Border Arts Festival, officially called "First Annual Inter-American Arts Festival," April '83 in Tucson. USIS Mexico initiated the project.
9. Eugene O'Neill Theater Center $18,000 (TT).	To assist the Center in presenting a tribute to Eugene O'Neill and August Strindberg, Circle in the Square Theater, New York, November 11, 1982.
10. California State University Foundation, Northridge $142,478 (RHH).	To provide (some 100 in groups of 10–15) Third World journalists with an on-site preview of the Press Center, and other media facilities, as well as sporting sites designed for the 1984 Olympic Games in Los Angeles.

Grantee, amount, (program officer)	*Description*
11. International Youth Year Commission $57,000 (WS).	To enable the Commission to convene an international conference and establish the basis for further international educational activities in connection with the 1985 International Youth Year.
12. World Affairs Council of Washington, D.C. $12,861) (RHH).	To assist 18-member American "successor generation" delegation travel to The Netherlands to discuss the future of Dutch-American relations, November 12–21, 1982.
13. Rand Corporation $35,500 (WS)_____	To assist the organization in conducting a four-day conference in Santa Monica, California, January 10–13, 1983, on "The Successor Generation and the Atlantic Alliance." The participants, approximately 30 Europeans and 10 Americans, would be members of the so-called "successor generation," generally under 40, drawn from government, academic, business, labor, foundations, and the media.
14. American Council of Young Political Leaders $44,350 (WS).	To pay ACYPL administrative costs for the two-month period November 1–December 31, 1982, which would enable the organization to continue its exchanges of young political leaders.
15. United States Youth Council $37,067 (WS).	To pay USYC administrative costs for the two-month period November 1–December 31, 1982, which will enable the organization to continue its exchanges of youth leaders.
16. American University in Cairo $57,105 (RHH).	To assist in the organization of a four-day conference to bring together 15 journalists and academics in Cairo to discuss "The Flow of News and the Future."
17. Mid-America Committee (Amendment to FY 82 grant) $26,278 (RHH).	To allow the Mid-America Committee to pay the international transportation and per diem of four additional participants for the AR Government Press Spokesmen seminar, to be held in Washington, D.C., November 29, 1982. In addition to authorize round-trip travel between Chicago and Washington for two staff members of the Mid-America Committee.
18. French-American Foundation $27,600 (TT).	Third annual French-American young leaders conference in San Francisco, November 10–15, 1982. Twenty emerging leaders under 40 from the U.S. and France will participate.

19. Center for Strategic and International Studies $114,168 (GW).	To support the conference on "New Directions in U.S. Foreign Policy," which will bring together 75 to 85 (some are IV participants) prominent leaders from throughout the world to Washington, D.C. to discuss the fundamental thematic/functional areas underlying the formulation of American foreign policy, February 10–11, 1983.
*20. National Committee on U.S.-China Relations $256,172 (GW).	To carry out bilateral accords which provide for the visit of a 10-member Chinese cultural delegation to the U.S., projected for summer/fall 1983; the visit of eight members of a study team from Radio Peking to the United States; the visit of six members of a Chinese delegation of foreign language publishers to the United States; a foreign policy delegation of 10 members of American think tanks to China; and, to support the scholar orientation program.
*21. Foundation for Books to China $15,350 (TT).	To enable the Foundation to give 60,000 educational publications to institutes of higher learning in China, and to cover the administration handling, and shipping costs from the U.S. to China.
*22. U. of Pennsylvania Tricentennial Conference $10,000 (TT).	Partial funding in support of conference commemorating 300th anniversary of German-American cultural ties, October 3–6, 1983, Philadelphia.
23. Council for the Defense of Freedom (Committee for a Free Afghanistan) $5,640 (WS).	Transportation expenses for three persons to attend second meeting of People's Permanent Tribunal, December 16–20, 1982, Paris. Meeting will conduct inquiry into violations of human rights in connection with hostilities in Afghanistan.
*24. Princeton University $23,000 (CJ)-----	To provide international travel for 10 Turkish participants to Third International Congress on Economic and Social History of Turkey, August 23–26, 1983, Princeton University.
*25. Council on Religion and International Affairs $36,417 (GW).	To fund foreign participant costs and provide partial support for project coordination for conference on "The Spirit of American and Asian Capitalism," September 1983, Washington, D.C.
*26. Pan-Pacific Community Association $33,167 (GW).	To fund 21 Asian participant costs to international conference on Pacific cooperation at University of Southern California, May 8–11, 1983.
*27. Foreign Affairs Research Institute $20,000 (GW).	Transfer of funds to GOE London in support of "Third Annual World Balance of Power Conference," July 1983, Leeds Castle. (85–90 participants from 40 countries.)

Grantee, amount, (program officer)	*Description*
28. Center for International Relations ($15,698) (RHH).	Thirteen scholars and academics to discuss "Political and Strategic Relations in the Atlantic Alliance," with their Italian colleagues, Rome, January 1983.
*29. U.S. Youth Council—Labor Desk $248,108 (RHH).	To fund exchange study tours between U.S. labor leaders and counterparts in Federal Republic of Germany, Portugual, France, and Italy.
*30. Center for Education and Research in Free Enterprise $59,155 (MK).	To enable 25 young Guatemalans to participate in three-week seminar in free enterprise and strategic management. First week: March in Guatemala City; 2d week, June at Texas A&M; and 3d week, June in Dallas.
31. Center for International Relations $76,852 (MK).	To organize and conduct a three-day conference on "Intellectual & Organisational Trends in the Western Alliance," Rome, Italy, March 7–9, 1983. 70 representatives from Western Europe and the United States.
32. Partners of the Americas (PATH Americas Program) $158,454 (MCB).	Transfer of funds from NIHR (DOE) to USIA to support the PATH Americas program.

*These projects have been approved, but the grant agreements are being held pending resolution of our budget.

Question 17. What criteria does USIA use for the various types of grants made, including criteria relating to individuals who take part in these programs?

Answer. See attachment A, page 57, Federal Register announcement.

See attachment B, page 58, Brochure describing Private Sector grants procedure.

See attachment D, page 63, Grant Evaluation Process.

Question 18. What criteria does USIA use to evaluate grantees and programs and what review process is followed in the evaluation process?

Answer. See attachment C and D, pages 62–63.

Question 19. Does the Director of the Office of Private Sector Programs, Mr. Reilly, approve persons nominated for exchanges by grant-supported private groups such as the American Council of Young Political Leaders? If so, is this a departure from past practice?

Answer. Grant agreements for all grants awarded by the Office of Private Sector Programs have contained the following language: "It is understood and agreed that the Grantee will consult with the Agency's Office of Private Sector Programs during the development of this program and will obtain the written approval of the Office of Private Sector Programs for the program and participants prior to the implementation of said program." This language was contained in the most recent grant agreement with the American Council of Young Political Leaders, returned by ACYPL December 27, 1982 (Article IV, Section A). This language has now been changed to read: "It is understood that the grantee will consult with the Agency concerning programs and participants." This language would enable USIA to stay informed of the program's content at the Post or in the Agency without requiring formal clearance of the participants.

The Office of Private Sector Programs recently added this specific language to all grant agreements. It was done to make explicit a longstanding policy. USIA funds come from U.S. taxpayers, and we are responsible for administering them properly and wisely.

The Office of Private Sector Programs enjoys a good working relationship with ACYPL, and can rely on the group to put together a well-balanced delegation of intelligent and articulate young political leaders for its exchange visits abroad. However, two cases can be cited as examples of situations in which the Office of Private Sector Programs considered it necessary to exercise its authority with relation to program participants. One case involves a Republican and the other a Democrat. Neither case, it should be stressed, had anything to do with ideology or partisan politics. In one case, ACYPL proposed to send someone on a trip to a country he had visitied a few months before under a USIA grant to another organization. The Office of Private Sector Programs discussed this circumstance with the ACYPL. We did not think it a justifiable expenditure of tax funds to send the same person to the same country twice within a matter of a few months. The other case involved plans for an individual who already had taken a large number of tax-supported ACYPL trips to go on still another. The Office of Private Sector Programs informed the ACYPL that they should strive to involve as many qualified Americans as possible in educational exchanges—not send the same people on trip after trip.

For the most part, the Office of Private Sector Programs is able to rely on the good judgment of grantee organizations to choose American participants in educational exchange programs. (The situation is different for foreign participants. Usually, these are chosen in consultation with USIS posts abroad—for the obvious reason that U.S. groups are often not in a position to judge which foreigners would benefit most from an educational exchange visit to the United States.) But proper stewardship of tax funds makes it necessary for USIA to have the authority as outlined in the grant agreement.

Question 20. Is the USIA funding media training assistance to friendly governments and their Armed Forces in Latin America, the Middle East and Southeast Asia so as to strengthen their effectiveness in the "War of Ideas"?

Answer. USIA has traditionally awarded grants to non-profit organizations that are designed to improve foreign understanding of the United States Government and the American people. The grant to the Mid-America Committee followed this format by bringing foreign groups to the United States for in-depth exposure to American society, values and political traditions.

Question 21. Shouldn't this function be left to U.S. public relations firms acting as registered agents of foreign principals?

Answer. No, USIA's mandate is tell America's story to the world. The Office of Private Sector Programs' grant to the Mid-America Committee was for the

purpose of providing government press officials with an understanding of the operation of a free and open press. To achieve this goal, American journalists familiar with the specific geographic area conducted in-depth discussions with the seminar participants. The grant also aided the Agency's support for the free-flow of communication. By exposing these press officials to the free and open structure of American society, it will aid in USIA's goal of telling the American story abroad. These are not objectives of any public relation firm's campaign for a foreign client.

Question 22. Why should U.S. tax dollars be spent to promote better images of foreign nations in the U.S. press?

Answer. USIA is not involved with any efforts to improve the image of foreign governments within the United States. The Jack Anderson column misstates the purpose of the seminars by describing them in this way. In the article, he does reflect the actual purpose of the program, "as an effort to educate foreign officials in the unfamiliar workings of a free press." Giving foreign press officials an understanding of the operations of a free press and its integral role in a free society is totally congruent with USIA's mission of telling America's story abroad.

Question 23. What Arab nations will participate in this program?

Answer. Seven Arab countries participated in the Mid-America Committee project. They were: Morocco, Tunisia, Sudan, Lebanon, Yemen, Oman, and Qatar. Four other Arab nations had nominated individuals to attend the program. However, several last second developments prevented these individuals from participating. These other nations were: Jordan, Syria, Kuwait, and United Arab Emirates.

Question 24. Are they not able to afford to train their own officials?

Answer. USIA's exchange programs are designed to provide opportunities for discussion between foreign participants and their American counterparts to promote mutual understanding. The U.S. Government and the American people benefit as much from the exchange programs conducted by USIA as do the foreign participants and their respective governments.

Question 25. Should the United States be in the business of training developing nations how to manipulate the press?

Answer. USIA does not train any foreign participants how to manipulate the press. USIA does attempt to allow foreign participants in its exchange programs the opportunity to learn about the operation of the U.S. press. All USIA exchange programs are balanced and based upon the need for mutual understanding.

Question 26. How many individuals participated in the Mid-America project?

Answer. Twenty-one individuals participated in the two Mid-America Committee seminars.

Question 27. Could you provide a list for the record?

Answer. The participants in the project for Latin American press spokesmen were: Barbados, Anthony Cave; Honduras, Oscar Bueso; Chile, Carlos Infante; Uruguay, Horacio Silva; Haiti, Guy Mayer and Henri-Robert Neree; Dominican Republic, Fausto Marino Mendoza; Ecuador, Fernando Naranjo; Bolivia, Arturo Martinez; Guatemala, Pablo Nuila; El Salvador, Marco Gonzales, Carlos Aviles, Antonio Villa Corta and Gerardo Le Chevalier. The participants in the Middle East Press spokesmen project were: Lebanon, Radwan Mawlawi; Morocco, Abdelhamid Benchekroun; Oman, Abdullan Hussain Al-Mashoor; Qatar, Abdullan Muhammad Sadliq; Sudan, Mustafa Amin; Tunisia, Ezzeddine Lardi; Yemen, Mohammed Al Shikan.

Question 28. What will be the total cost of this program?

Answer. The total cost of the project will not exceed $190,088 and in all probability will be lower.

Question 29. Why is the United States Government spending U.S. tax dollars to influence the "moral or religious" judgments of Western European religious leaders?

Answer. The objective of the Ethics and Public Policy Center Grant (EPPC) grant is not to "influence the moral or religious judgments of Western European Religious Leaders," but to provide a forum for religious leaders on both sides of the Atlantic to have an opportunity to better understand and deal with the difficult ethical considerations which are fundamental to the nuclear debate. The objective is clearly to promote mutual understanding, clarify intentions and remove distortions. Only a sophisticated and balanced series of representations

by Americans and Europeans who know their subject and who must deal with the ethical and practical problems of a nuclear age—are likely to be beneficial.

The grant to EPPC is designed to further USIA's mission of advancing mutual understanding in a straight-forward, open, candid, balanced and representative manner. The topic is of central importance to the Atlantic alliance and its future. The USIA European Area in "strongly supporting" the proposal commented that these are "matters of immediate concern to the European Area." The endorsement from the State Department argued that the proposed program is "creative, well-conceived and worthy of strong U.S. Government support."

For these reasons, USIA supported a grant to EPPC.

Question 30. The purpose of the Fulbright-Hays Act is "to increase mutual understanding between the people of the United States and the people of other countries by means of educational and cultural exchange." Is the Lefever grant in line with that purpose?

Answer. The above quote is found in Section 101, Statement of Purpose of the Fulbright-Hays Act. This statement in its entirety reads:

"The purpose of this Act is to enable the Government of the United States to increase mutual understanding between the people of the United States and the people of other countries by means of educational and cultural exchange; to strengthen the ties which unite us with other nations by demonstrating the educational and cultural interests, developments, and achievements of the people of the United States and other nations, and the contributions being made toward a peaceful and more fruitful life for people throughout the world; to promote international cooperation for educational and cultural achievement; and thus to assist in the friendly, sympathetic, and peaceful relations between the United States and other countries of the world."

The Ethics and Public Policy (EPPC) grant was developed in light of this mandate. A free, open, candid and balanced discussion of mutual concerns in a nuclear age can only assist in the strengthening "the ties which unite us with other nations." As indicated in the response to question (A), USIA tendered a grant to EPPC, in part, because the European Area at USIA "strongly supported" the proposal and the endorsement from the State Department argued that the EPPC program is "creative, well-conceived and worthy of strong U.S. Government support."

The EPPC grant was evaluated by the Private Sector internal panel, by the European Area, by the State Department, by the Educational and Cultural Affairs (ECA) Budget Office, by an agency-wide panel, by the Associate Director (ECA), and by the Office of the Director (USIA), and also by the USIA Office of the General Counsel. Each of these offices approved the EPPC conferences in light of the language and intent of the Fulbright-Hays Act.

Thus, USIA supported this conference series dealing with nuclear weapons, arms control and disarmament because it would further our objective of making a "peaceful and more fruitful life for people throughout the world" and would therefore "assist in the development of friendly, sympathetic, and peaceful relations between the United States and other countries of the world."

All of the participants in this review process concluded that the grant would advance mutual understanding and introduce foreign audiences to the diversity of perspectives now advanced in the United States concerning this sensitive issue area.

Question 31. How much of the $192,000 Lefever grant went to the Ethics and Public Policy Center in overhead and salaries for its staff? Is this percentage for administrative overhead normal with this type of grant? What percentage of the center's gross revenues did the USIS grant represent?

Answer. There is no such thing as a "Lefever Grant." The Agency awarded a grant to the Ethics and Public Policy Center (EPPC). Mr. Lefever is the president of the Center.

The EPPC grant budget was approved by the Budget Office, Bureau of Educational and Cultural Affairs. The original request from EPPC was $262,000 which was subsequently trimmed by $70,000. Out of the total budget, EPPC received $24,820 in total staff costs, $8,600 in supplies, xerox, telephone, postage and preparation and distribution of discussion materials, and $16,710 in overhead (50 percent of professional staff salaries, clerical staff salaries, and the above listed office supplies).

In other words, from the total grand budget to develop, organize and conduct four international seminars (three in Western Europe and one in Washington,

D.C.) with at least 200 total participants, EPPC received 13 percent staff salaries, 4 percent in office supplies (etc.), and 8.7 percent in overhead. The Budget Office (ECA) deemed these expenditures and the percentage rate for overhead "normal" for this grant.

EPPC's gross revenues for 1982 amounted to $1,072,109. The USIA grant amounts to 18 percent of this total. EPPC gross revenues for 1983 are projected at $1,250,000. The USIA grant period extends until November 30, 1983. The USIA grant amounts to 15 percent of this 1983 total.

Question 32. How will the Democracy Projects be any different from current USIA programs?

Answer. Project Democracy will have a more specific focus than traditional USIA activities. It will concentrate on training leaders in democratic principles and fostering the growth of democratic institutions. The traditional programs which receive additional funding under Project Democracy are precisely those types of activities which most directly contribute to the long-term growth of democracy—i.e., book publishing, academic exchanges, international visitor programs, etc.

Project Democracy contains several new program approaches, for example, support for the establishment of regional institutes to promote free elections and democratic development. Project Democracy, more than traditional USIA activities, is designed to work hand-in-hand with other democratic governments. The project's goal is to build an international momentum in support of democratic values and institutions.

Question 33. What is the current organizational structure for Project Democracy? Who is in charge of the overall project? Why did the administration feel it necessary to go outside the normal organizational structure of USIA?

Answer. The U.S. Information Agency will be responsible for the allocation of funds to the various departments, agencies, and bureaus in compliance with the project guidelines. The Director of USIA will determine funding levels for broad program categories after consultation with the Department of State and AID. (This mechanism is described below.) The execution of these programs in the Department of State, USIA, or AID will fall under the guidelines consistent with the legislative charters governing the participating agencies.

Broad program funding will be discussed by an interagency committee made up of the Deputy Director of USIA, Gilbert A. Robinson; the Under Secretary of State for Political Affairs, Lawrence S. Eagleburger; and the Administrator of the Agency for International Development, M. Peter McPherson. This committee will present their advice and recommendations to the Director of USIA, who will decide how the funds are to be allocated to each of the participating agencies.

Project Democracy will be administered outside of the normal organizational structure of USIA because its parameters are more comprehensive than, though entirely complementary with, those of USIA's existing programs. The Department of State and USAID, in addition to USIA, will conduct activities to foster the principles of democracy, support the development of democratic institutions, build and reinforce bonds based on shared values between peoples and nations, and encourage the exchange of democratic ideas. Thus Project Democracy is a broad interagency program to bring focus to U.S. Government efforts—not just USIA efforts—toward these objectives, and to strengthen and expand these efforts.

Question 34. In the Democracy Project there are a number of exchange programs. What is unique about them which set them apart from existing exchange programs?

Answer. As stated in the response to the preceding questions, Project Democracy will have a more specific focus than our existing exchange programs. Activities conducted by the exchanges bureau will be administered in the same way that current programs are carried out.

Question 35. What are the criteria for the grant process under Project Democracy? Shouldn't there be legislative criteria and purposes for the whole project to give it direction and to prevent politicization?

Answer. USIA's grant procedures include:

(a) Public announcement in the Federal Register of program objectives, or solicitation of specific non-governmental organizations (NGO's) for grant proposals.

(b) Review of the grant proposals by the staff of the appropriate internal programming office and the appropriate area office for completeness and consistency with the application guidelines.

(c) An internal agency review panel will review grant proposals and recommend those which meet the criteria of quality and legality. Review panel reports will be attached to the proposal file.

(d) The Associate Director of the appropriate bureau (either the Bureau of Programs or the Bureau of Educational and Cultural Affairs) will review the grant proposals.

(e) The Deputy Director of USIA will approve the grant proposals.

(f) In consultation with the General Counsel, the contracts office awards the grants.

The basic criteria for awarding a grant include the soundness and feasibility of a recipient's proposal and its relevance to our objectives as well as demonstration that the organization has the necessary infrastructure, capability, and expertise to effectively conduct the proposed activities.

We believe that all elements of the Project Democracy program could be carried out under existing legislative authority. However, to clarify how the new program will be managed and to set forth guidelines ensuring its bipartisan character, our legal staff is in the process of preparing appropriate authorizing language for Project Democracy. We look forward to working with all relevant congressional committees in this effort.

PROJECT DEMOCRACY

In his address to the British Parliament on June 8, 1982, President Reagan announced the intention of the United States to make a major effort to help "foster the infrastructure of democracy . . . which allows a people to choose their own way, to develop their own culture, to reconcile their own differences through peaceful means." He noted the efforts of Western European and other parties and governments to assist fraternal political and social institutions to bring about peaceful and democratic progress and committed the U.S. to take additional steps toward realizing this same goal. This is to be a cooperative, nonpartisan venture, involving both political parties, the Congress and the private sectors; in this regard the President endorsed the study proposed by the Chairmen of the Republican and Democratic parties, acting through the American Political Foundation, to determine how the U.S. can most effectively strengthen democratic forces abroad.

The second and related theme of the President's address was a call to engage more vigorously in a peaceful "competition of ideas and values" with the Soviet Union and its allies. He emphasized that the "ultimate determinant in the struggle now going on for the world will not be bombs and rockets, but a test of wills and ideas, a trial of spiritual resolve: the values we hold, the beliefs we cherish, the ideals to which we are dedicated."

President Reagan thus laid the groundwork for an ambitious long-term positive program by the United States to advocate the principles of democracy, support those people and institutions committed to democratic development, build and reinforce bonds based on shared values between peoples and nations, and counter the spread of totalitarianism through the active interchange of ideas and vigorous democratic institutions. In the process the U.S. Government will be taking steps to help create conditions which will offer the best protection for human rights over the long-term.

This requires better programs and new approaches. While the U.S. has long recognized the value of providing military and economic assistance to friends and allies, we have given too little attention to the political, intellectual and social infrastructure necessary to support democratic systems and strengthen bilateral ties. The projects contained in this budget constitute a first step toward righting this imbalance. They represent both reinforcement of current, proven programs as well as new projects and concepts. They are directed at all regions of the world. The objectives of the program include:

1. *Leadership Training.*—For those who are or will likely be serving in leadership roles in their societies, there are programs in the U.S., their own countries, and in regional institutions which will cover the theory and practice of democracy, the skills necessary to build the institutions of freedom and democ-

racy and to counter non-democratic forces, the role of the market and free enterprise, and politcial and economic issues of current concern.

2. *Education.*—Through scholarships, American Studies institutions, English teaching, book programs and other means, we will try to convey a more accurate picture of the character and values of the United States.

3. *Strengthening the Institutions of Democracy.*—A number of programs will strengthen the role of the basic institutions of a democratic society—labor, political parties, media, universities, business, legal/judicial systems, religion, community action, etc.

4. *Conveying ideas and information.*—Through more active programs of conferences and meetings, special briefings, dissemination of books and journals, as well as the full range of training, education and exchange programs, we hope to engage key people and organizations in an exchange of ideas and information as well as to accurately and widely convey the policy positions of the United States. We intend to promote a renewed sense of intellectual and political interest in democracy and the freedoms it protects. Radio broadcasting, handled separately in the USIA budget, is the principal resource in conveying full, accurate information and new ideas and concepts to many countries in the world; it needs substantially greater funding.

5. *Development of personal and institutional ties.*—Project Democracy is an effort for all of the United States—private and public groups and institutions. The development of closer ties and working relationships between political parties; unions; businesses; universities; state and local governments; media; service organizations; women's, ethnic, and religious groups and others, and their counterparts overseas may prove to be the most effective means of strengthening democracy and promoting friendship and cooperation with other nations.

We intend for this to be a truly international effort. We will cooperate closely with other democracies to provide the ideas and support to allow the advocates of democracy to have the optimum chance of success. And if they are to be successful, they must adapt principles and institutions to the unique historical, cultural and social traditions of their own nations.

Project Democracy: Summary of Preliminary Program Proposals

Democratic Leadership Training and Network Building	FY-83 Funds	FY-83 Positions	FY-84 Funds	FY-84 Positions
Multi-Regional				
1. Legislator Training			$1,000,000	
2. Study of Democratic Principles and Practice for Military Leaders in Developing Nations	$ 500,000		1,200,000	1 Domestic
3. Democracy and Free Elections: Regional Institutes, Conferences and Publications	300,000		1,700,000	
4. Public Leaders Project			500,000	1 Domestic
5. Successor Generation: Trans-Oceanic Leadership Project			1,500,000	1 Domestic 1 o/s American
6. Citizens Action Programs			500,000	
7. Support of Religious Freedom	150,000		300,000	
8. Strengthening of Judicial Institutions and Procedures	100,000		400,000	
Europe				
9. Enhanced Cooperation with the Atlantic Organizations of Europe	300,000		1,000,000	1 Domestic 1 o/s American
10. Expanded International Visitors Program with Eastern Europe			885,000	3 Domestic
11. Workshops in Europe on Democratic Processes			250,000	

	FY-03		FY-04	
	Funds	Positions	Funds	Positions
Latin American and the Caribbean				
12. Leadership Training for Latin American Student Leaders	$ 300,000		$ 500,000	
13. Central American Regional Seminars, Group Travel in U.S. and Special Studies on Democratic Development	200,000		350,000	
14. Support for the Establishment of an Institute for Democracy for Central America and the Andes	600,000		2,600,000	
15. Inter-American Community Leaders Exchange			500,000	
Asia				
16. Asia Foundation Proposal	5,000,000		10,000,000	
17. Funding for the National Committee on U.S.-China Relations			250,000	
Africa				
18. Group Projects for African Legislators, Jurists and Legal Officials	250,000		500,000	
19. Assistance for Liberia's Transition to Democracy	800,000		920,000	
SUBTOTAL	$8,500,000		$25,055,000	

Democratic Education	FY-83 Funds	FY-83 Positions	FY-84 Funds	FY-84 Positions
Multi-Regional				
20. Assistance to Centers for the Study of the U.S. Abroad	$3,065,000	1 Domestic 1 o/s Amer.	$7,620,000	1 Domestic 1 o/s American
21. Establishment of Academic Programs on Democracy	40,000		892,000	
22. Study of the Democratic Heritage of Traditional Non-Western Cultures	20,000		150,000	
23. Democracy and the Free Market Economy			500,000	
24. Center for Free Enterprise			1,000,000	
Europe				
25. European Institute to Survey Status of Democracy in the World	20,000		100,000	
26. New Center for the Study of the USSR and Eastern Europe			500,000	
Latin America and the Caribbean				
27. Support for Latin American Binational Centers	1,000,000	2 o/s Amer.	3,300,000	4 o/s American
28. Expansion of Latin American Scholarship Program of American Universities			500,000	
Africa				
29. African-American Issues Center	250,000		323,000	
30. African-U.S. Scholar Exchanges and University Linkages	400,000		800,000	
31. English Teaching Initiative in Africa	000,000	1 Domestic 2 o/s Amer. 2 FNE	1,000,000	2 Domestic 2 o/s American 2 FNE

	FY-83		FY-84	
	Funds	Positions	Funds	Positions
Near East				
32. Middle East Fellowship Program			$1,000,000	
33. Middle East Peace and Development Conferences			100,000	
34. Democracy Symposia at the American University of Beirut (AUB) and the American University of Cairo			280,000	
SUBTOTAL	$5,595,000		$18,065,000	
Democratic Media/Book Publishing				
Multi-Regional				
35. Foreign Journalist Tours	$ 250,000	1 Domestic	$ 326,000	2 Domestic
36. Magazine: Communications Impact	250,000	1 Domestic	600,000	5 Domestic
37. Worldwide Book Publishing Proposal	1,000,000	4 Domestic 2 o/s Amer. 3 FNE	4,455,000	10 Domestic 8 o/s Americ 11 FNE
38. Language Versions of "Problems of Communism"			400,000	4 Domestic
39. Support for Sending Observers to Trials of Leading Proponents of Democracy			300,000	
Latin America and the Caribbean				
40. Support for the Free Press in Latin America	120,000		120,000	
41. Central American Media Program	100,000		1,000,000	
Africa				
42. Support for the Free Press in Africa			500,000	1 Domestic
Near East				
43. Cooperation with Independent Third World Media Organizations	150,000		250,000	
SUBTOTAL	$1,870,000		$7,951,000	

	FY-83		FY-84	
	Funds	Positions	Funds	Positions
Free Labor				
44. Worldwide Initiative to Support Free Labor Movements	$4,000,000		$13,800,000	
A. Trade Union Educational Exchanges			3,000,000	
B. Foreign Policy and Defense Information Program	1,500,000		3,300,000	
C. Assistance to Democratic Trade Unions and National Labor Centers in Priority Regions and Countries	2,500,000		6,000,000	
D. Assistance to International Labor Bodies Which Support Democratic Trade Unions			1,500,000	
SUBTOTAL	$4,000,000		$13,800,000	
GRAND TOTAL*	$20,000,000	23 Positions (11 Domestic) (7 o/s American) (5 FNE)	$65,000,000	65 Positions (35 Domestic) (17 o/s American (13 FNE)

*Totals include general management costs and staffing.

Summary of Preliminary Program Proposals

	FY-84
Funds	$1,000,000
Staff	

(1)
Legislator Training

Under Title IX of the Foreign Assistance Act, AID funded in the early 1970's several programs to improve the administration of legislatures in developing countries. Some activities begun under these early programs still exist. Also, there are groups in Latin America that have developed special in-country training programs for legislators. Funding for the project proposed here would expand existing and develop new programs to improve practical skills of democratically elected legislators and their staffs in managing legislatures and the legislative process.

	FY-83	FY-84
Funds	$500,000	$1,200,000
Staff		1 Donestic

(2)
Study of Democratic Principles and Practice for Military Leaders in Developing Nations

Military-led interruptions of the political process can retard the development of a democratic form of government. Democratization often depends on building positive attitudes toward democracy in present and future military leaders.

Suitable organizations will be chosen to launch a series of symposia on the nature of democratic society for selected military leaders who presently hold or are likely to hold traditionally civilian government positions.

	FY-83	FY-84
Funds	$300,000	$1,700,000
Staff		

(3)
Democracy and Free Elections: Regional Institutes, Conferences and Publications

Drawing on ideas from the Conference on Free Elections, this program would support the establishment, on a regional or world-wide basis, of institutes to provide practical assistance and observers to nations holding elections, particularly those doing so for the first time or after a long interruption. Central American and Caribbean nations have already agreed to organize such an institute and U.S./AID is now considering providing funding for FY-83. Similar institutes could be formed in Africa and Asia. These could be invaluable in ensuring that elections are effective, free and fair. An international participation will lend elections legitimacy as well as make it more difficult for elements within a country to undermine or derail the electoral process. Other projects would include additional meetings or conferences designed to lay the groundwork for regional institutes and to examine other issues resulting from the November Conference (e.g., education for democracy, role of the military in transition to democracy, elections technology, etc.).

	FY-84
Funds	$500,000
Staff	1 Domestic

(4)
Public Leaders Project

Well-programmed U.S. visits for delegations of elected or appointed foreign local and state provincial government officials from key countries, especially those in a transitional stage, should be an integral part of any effort to promote the democratic system of government. Such two or three week visits/study tours will facilitate discussion between American and foreign officials on the democratic system of government. These activities would, in most cases, be conducted by U.S. non-governmental organizations or associations.

A. Bring 25 foreign governors or their political equivalents to the U.S. to meet with their counterparts and observe the democratic decision making process at the state level. The participants would also meet top-level federal U.S. government officials in Washington, D.C. to discuss current bilateral relations.

B. Bring 50 foreign legislators at the provincial level to the U.S. for an introduction to legislative procedure as practiced in the U.S. and to observe a state legislature in session.

C. Conduct reciprocal exchange visits of 20 U.S. and foreign mayors to observe administrative authority on the local level and its interaction with county, state and federal government.

D. Conduct study tours for 20 high-ranking foreign legal officials (prosecutors, judges, etc.) to observe the U.S. system of jurisprudence and hold professional discussions with American counterparts.

FY-84

Funds $1,500,000
Staff 1 Domestic
1 o/s American

(5)
Successor Generation: Trans-Oceanic Leadership Project

Mutual support and understanding based on a perception of shared values has declined over the past 15 years among Western Europeans, Japanese and American "successor generations." The problem requires a long-term approach which will address, among other things, misconceptions about the U.S. and which will establish positive ties between Americans and foreigners.

The following "Full Cycle" approach is recommended:

1. Alumni Exchange Groups in Western Europe/Japan - Seed money will be used to ensure that each country has an active U.S.-exchanges alumni group and to help computerize membership data.

2. Successor Selection - In addition to the traditional post nominations, we would seek the advice of prominent alumni group members for the selection of successor generation leaders for grants.

20-612 0 - 83 - 9

3. Leadership Seminars in North America/Western Europe/Japan - Sponsor a series of one or two week Leadership Seminars. Each of these conferences would be multi-national, and would include American speakers, a small number of U.S. "successor generation" representatives, and the foreign participants. Issues of parallel concern and those directly affecting the Atlantic/Pacific alliance system would be addressed.

4. Month-Long U.S. Exchange/Studies Program - Each of the Leadership Seminars would have some 25 non-U.S. participants. From a pool of 250 young leaders drawn from the leadership seminars, 50 would be selected to participate in a month-long exchange program in the U.S. These tours would include a one-week conference on American studies, travel to various states and briefings in Washington on foreign policy and security.

5. Follow-up Informal Post-sponsored Sessions - Posts will sponsor debriefing sessions and conferences.

6. Exchangees to Join Alumni Groups - In order to complete the cycle and to ensure a long-term positive impact, the posts will encourage exchangees to join the alumni groups. The alumni groups, in turn, would hold meetings, conferences, etc.

FY-84

(6) Funds $500,000
Citizens Action Programs Staff

A number of U.S. based private voluntary organizations have worked with local citizens action organizations abroad. One example of an organization that works with foreign women's and volunteer groups at the local level is the Overseas Education Program of the League of Women Voters (OEP). The OEP has a long history of developing and testing methods of teaching the democratic process by demonstrating democratic ways of working and acting together. A number of local private citizens groups have requested assistance from the OEP. Activities would be developed in Africa, Asia and Latin America.

	FY-83	FY-84
Funds	$150,000	$300,000
Staff		

(7)
Support of Religious Freedom

In supporting the growth of democracy it is useful to encourage the freedoms which the system of democracy seeks to protect. A group of religious leaders and theologians from major faiths should be asked to develop programs which support freedom of religion within a democratic context. Programs would consist of travel and exchanges of information between religious figures in the United States and other countries, modest financial support to activities directly related to freedom of religious expression, and occasional regional or specific country-oriented seminars. The programs would focus on areas where religious freedom is of particular concern to the world community and where its encouragement would contribute to the growth of democracy.

	FY-83	FY-84
Funds	$100,000	$400,000
Staff		

(8)
Strengthening of Judicial Institutions and Procedures

The development and maintenance of an independent judiciary is central to the operation of democracy. American organizations which maintain contacts with counterpart associations abroad could be asked to devote increased attention to the strengthening of foreign judicial institutions and procedures. The programs would involve consultations by U.S. attorneys and judges abroad, visits by foreign jurists to observe U.S. procedures, exchanges of publications, and the organizing by foreign jurists of seminars on the role of law in democratic societies. In the second phase (FY-84), a small clearing house would be established to assist in management of the programs.

	FY-83	FY-84
Funds	$300,000	$1,000,000
Staff		1 o/s American 1 Domestic

(9)
Enhanced Cooperation with the Atlantic Organizations of Europe

Identify a number of European organizations whose objective is to support and strengthen the Atlantic Community and assist their efforts to foster an increased awareness of our shared political and cultural values. Provide support for such activities as seminars, publications, media support materials, the development of secondary school curricula, internships and the creation of an Atlantic Fellowship Research Program for the exchange of scholars between U.S. and European research institutes for studies in democratic government and related areas.

	FY-84
Funds	$885,000
Staff	3 Domestic

(10)
Expended International Visitor Exchanges with Eastern Europe

Increase the understanding of democratic systems among Eastern Europeans through additional international visitors exchanges.

	FY-84
Funds	$250,000
Staff	

(11)
Workshops in Europe on Democratic Processes

American scholars/experts to conduct a series of four two-week seminars to explore democratic/pluralistic traditions in Western society and accentuate their comparative advantages over totalitarian regimes. Emphasis will be placed on how to strengthen democracy, especially in transition countries. Each of these seminars will be held under the auspices of a university or foundation for approximately 15 influential Europeans and perhaps selected Third World participants as well.

	FY-83	FY-84
Funds	$300,000	$500,000
Staff		

(12)
Leadership Training for Latin American Student Leaders

Students in Latin America, particularly at national universities, are more likely to be instructed in Marxist political and economic philosophy than in democratic principles and free market economics. A private sector exchange program will be established for university student leaders focusing on democratic models of development, with special emphasis on the participation of young leaders from Central America and the Caribbean. The program will consist of three weeks of seminars comparing and contrasting developmental theories, emphasizing the merits of democratic, pluralistic societies; private sector involvement; voluntarism; and individual initiative. An effort will be made to engage the participants in a dialogue with their counterparts on U.S. campuses. The private sector organization or university which coordinates the exchange program should also serve as a mini-secretariat to remain in contact with the participants for the purpose of follow-up activities (e.g., mailings, conferences, etc.).

	FY-83	FY-84
Funds	$200,000	$350,000
Staff		

(13)
Central American Regional Seminars and Special Studies on Democratic Development

This program would consist of: a) a series of symposia in various locations in Central America on specific development-of-democracy themes, b) travel to the U.S. of small groups of younger Central American leaders for three to four weeks, focusing on such areas as grass roots political organization, labor-management relations, special interest group activity, local government problems, political party approaches, etc., and c) written studies on narrowly focused issues connected with the challenges facing democracy, peaceful reconciliation and the rule of law. Existing Central American and U.S. institutions would conduct the program.

	FY-83	FY-84
Funds	$600,000	$2,600,000
Staff		

(14)

Support for the Establishment of a Regional Organization for Democracy for Central America and the Andes

The U.S. would support the efforts of Central American and Andean political leaders to create a regional organization to sponsor programs to strengthen democracy: e.g., theoretical and practical training in the creation and operation of democratic institutions, publication of supporting journals, manuals, etc. While its initial focus would be on Central America and the Andes, participants could be drawn from throughout the hemisphere. The U.S. would provide part of the initial endowment for the organization, with additional contributions from the regional founding partners (the U.S. could also provide support for organizing meetings). This would be a homegrown, cooperative venture drawing principally upon the strong democratic traditions of many countries in the region. U.S. participation would add only a perspective, not a model, for democracy in the hemisphere.

	FY-83	FY-84
Funds		$500,000
Staff		

(15)

Inter-American Community Leaders Exchange

This program is designed to allow the 50 in-place, volunteer-based partnership organizations of the Partners of the Americas to incorporate new areas of project work oriented toward the building of democratic institutions on the local or community level, to attract leaders in a wide variety of fields, and to help build Partner committees that have extensive community involvement and wide-ranging links to civic professional, business, youth, artistic and educational institutions in their communities. This network of organizations links 44 U.S. states with 26 Latin American and Caribbean countries. The long-range goal is to build an awareness of what can be accomplished through individual and cooperative initiative and voluntarism. The exchanges therefore incorporate both theoretical orientation and the practical experiencing of community action efforts.

(16)
Asia Foundation Proposal

Funds	$5,000,000	$10,000,000
Staff		

For years, the Asia Foundation has carried out programs that promote stable political development, constructive social change, equitable economic growth, cooperative international relations and the growth of pluralism in Asian societies. In particular, The Foundation's programs have fostered democratic institutions, strengthened the rule of law, and improved the administration of justice and access to the courts; programs which have served the objectives of human rights policies in Asia. The Asia Foundation's programs directly serve the goals of Project Democracy. The FY-84 request for $10 million includes funding previously contained in the Department of State budget for general support of the Foundation's programs and operations ($4.5 million), plus additional funds for new and expanded programs focusing on democratic development. The grants to the Asia Foundation will be administered by the Department of State.

	FY-83	FY-84
Funds		$250,000
Staff		

(17)
Funding for the National Committee on U.S. - China Relations

The National Committee on United States-China Relations (NCUSCR) is a public, non-profit, educational organization which encourages understanding of China and the United States among citizens of both countries.

This proposal will provide an annual grant to the NCUSCR to fund a program of exchanges for Chinese sociologists, political scientists and other social scientists. Each visit will entail participation in activities such as seminars, panel discussions and workshops to encourage contacts with American counterparts and exposure to discussions of democratic government and processes, U.S. history and diplomacy, constitutional law, and related topics.

	FY-83	FY-84
Funds	$250,000	$500,000
Staff		

(18)
Group Projects for African Legislators, Jurists, and Legal Officials

Democratic ideas, constitutional processes, and institutional commitment to the protection of individual rights are not deeply rooted in many parts of Africa. It is important to the growth of those ideas and institutions that we engage in a dialogue with key leaders concerning democratic systems and values. Three projects will be organized in FY-83 under the auspices of an appropriate organization involving some 30 to 40 African leaders; additional grantees will be funded in FY-84. All will come to the U.S. for 30-day projects designed specifically for members of parliament, judges, and lawyers, justice ministry officials and senior university professors of law and government.

	FY-83	FY-84
Funds	$800,000	$920,000
Staff		

(19)
Assistance for Liberia's Transition to Democracy

The military government in Liberia has publicly committed itself to a return to civilian rule by April 12, 1985. A 25-man Constitutional Commission is drafting a new constitution, organizing and convening a constituent assembly, preparing electoral machinery and conducting a referendum on the draft constitution. The Commission has estimated its total financial needs at $4.7 million, of which the GOL has pledged $1.1 million. It has appealed to foreign donors for the difference. Because of our special historical relationship with Liberia, the United States should assist with the transition; other donors will be guided by our attitude. Liberia provides one of the best opportunities in Africa for encouraging major progress toward democracy in the foreseeable future.

We would make funds available in FY'83, '84 and early '85 to Liberia's Constitutional Commission for the following purposes: translation of publications and broadcasts into tribal languages; a large-scale campaign to explain and publicize the constitution; a series of research projects; a voter education program; redrawing electoral districts; registering voters; training election workers and electoral commission officials; convening the constituent assembly; installing the infrastructure of an operational voting system; and conducting a referendum and election.

	FY-83	FY-84
Funds	$3,065,000	$7,620,000
Staff	1 Domestic	1 Domestic
	1 o/s American	1 o/s American

(20)
Assistance to Centers for the Study of the U.S. Abroad

In order to promote the growth of democracy worldwide, the United States must help convince other nations and peoples that a democratic system is superior to non-democratic alternatives. Among other things, this calls for providing more and better information about the United States to foreigners.

American Studies is a catchall phrase which includes a variety of educational programs and exchanges to promote the study of the U.S. abroad. In designing these programs, it is not possible to treat all regions of the world in an identical manner. The level of development, especially in the academic sphere, must be taken into account. For example, American Studies as a discipline is well-established in Europe; but no major programs exist in either Africa or Latin America.

A. In Western Europe: $2,000,000 $2,000,000

During the past several years, interest in the study of the U.S. has increased dramatically. Implicit in this is an awareness and appreciation of U.S. institutions and the democratic spirit in which they develop, as well as a need for Europeans to understand the cultural context of the policies of the U.S.

--Grant to SAIS Bologna: As an American institution operating in Europe, the Johns Hopkins School of Advanced International Studies (SAIS) of Bologna is singularly suited to the task of promoting American studies programs.

--Grants to the American Studies Resources Center at the Polytechnic of Central London and its two sister institutes in Great Britain to develop resources for use at the secondary school level. These would provide for central library, film and video resources, lists of speakers on American Studies, traveling exhibits, bibliographies, conferences, and curriculum development assistance to local school systems.

--Initial steps toward establishment of seven new American Studies Resources Centers in Europe to reach both teachers and students, primarily in secondary schools.

--Initial steps toward the assignment of two Fulbright Professors annually to each major European American Studies Center;

--Annual conference for American Studies Resources Centers in Europe to exchange information and coordinate programs.

--25 one-year research grants in American Studies for use by third-country nationals at the European regional centers.

B. In Eastern Europe:

FY-84
$1,000,000

--Despite the limitations on U.S. programming possibilities imposed by local governments, the current situation in certain Eastern European countries may provide an opportunity for the creation of American studies programs.

C. In East Asia:

FY-83	FY-84
$465,000	$1,000,000

--Grant to endow the already active American Studies centers at Chulalongkorn University in Bangkok, the University of Indonesia in Jakarta, Tokyo University, and Seoul National University. Ancillary activities would include textbook production, Fulbright exchanges, American Studies conferences and research grants.

	FY-83	FY-84
D. In the Near East:		$1,500,000

--Grant to endow the American Studies Research Center in Hyderabad, India.

--Pilot program to review foreign textbooks and curricula for accurate portrayals of American society and culture, and U.S. government policies.

--Series of summer work-travel-study programs for secondary school teachers in selected disciplines, sponsored by American academic organizations and hosted by American universities.

E. In Africa (especially Zimbabwe, Senegal and Kenya):	$400,000	$1,060,000

--A substantial expansion of the Fulbright program in American Studies-related fields.

--Translation and printing of selected American Studies texts in history, economics and the social sciences, and their distribution to selected African universities.

--Initial steps toward publishing a low-cost series of American classics in fields ranging from the social sciences and economics to literature for sale through commercial outlets.

F. In Latin America:	$200,000	$1,060,000

--Substantial increase in Fulbright Lecturer Program in American Studies, strategically targeted to key universities. FY-83 monies to be used for pilot project to investigate possibility of establishing special professorships/chairs of American Studies.

	FY-83	FY-84
Funds	$40,000	$892,000
Staff		

(21)
Establishment of Academic Programs on Democracy

As compared with earlier epochs, there is a lack of excitement about democracy in Western intellectual life; a lack of clarity as to what democracy is; and a lack of awareness of the differences between democratic and non-democratic societies. It is important to give more explicit attention to the theme of democracy in intellectual life, particularly in the Western democracies.

This project would establish inter-disciplinary programs at two foreign universities dealing with the differences between democratic and non-democratic systems. Two small centers would be supported, each comprising two faculty members, a secretary, a lecture program, two graduate fellowships for students doing research in the area of democracy, a yearly prize for the best dissertation done on democracy, and travel money for the faculty to lecture on democracy. The intent would be for the faculty members to teach courses devoted explicitly to democracy -- something that is rarely done -- and to spend part of their time in research on the same topic. In addition, this proposal anticipates providing in the neighborhood of $250,000 as seed money to attract private funding to endow these programs on a permanent basis.

	FY-83	FY-84
Funds	$20,000	$150,000
Staff		

(22)
Study of the Democratic Heritage of Traditional Non-Western Cultures

One of the most common arguments used today against democracy is that it lack roots in Third-World societies; thus, calls for democracy in non-democratic societies can be attacked as "cultural imperialism." These arguments are contradicted by the facts. Many tribal and village societies are governed by informal democratic systems. In 1650 there was probably more democracy in Africa than in Europe. If the democratic heritage were better known, it would powerfully reinforce the urge toward democracy in Third-World countries, and assist in building democratic institutions in the contemporary world.

A study should be begun under the auspices of a European or Third World university or research group to focus on pre-modern and non-western democracy. The study would involve seminars, extensive consultation with Third World scholars and political practitioners, and result in a book. The major objective of the study would be to stimulate discussion leading to the acceptance of democracy in the non-western world. The progress of the study should involve seminars dealing with ways to use traditional democratic processes in the modern world.

FY-84

Funds $500,000
Staff

(23)
Democracy and the Free Market Economy

In FY-1981, AID funded a very effective symposium with the Institute of Liberty and Democracy in Peru to clarify the key relationship of individual freedom and representative democracy to effective economic development. The symposium dealt only with Peru. The research needs to be expanded to include other Latin American countries and other geographic areas. There are a number of foreign organizations that have the interest and the experience to do research and to conduct workshops and seminars on the relationship between democracy and a free enterprise system.

FY-84

Funds $1,000,000
Staff

(24)
Center for Free Enterprise

Most Western scholars agree that political and economic freedoms are closely linked and that maximum economic freedom for the individual is best for maintaining democracy. Competition among economic actors and sectors preserves a multiplicity of political influences. Consequently, the free enterprise system offers more room for a variety of ethnic, religious and other groups, which can mediate between the individual and the state. Market economics also spurs economic and political decentralization and thereby restrains state power and the potential for totalitarian rule.

To date, American business is a largely untapped source of expertise in promoting the values of democracy. This project asks for seed money towards the establishment of a Center for Free Enterprise, which would seek to create pilot programs on the role of business in democratic systems -- including the sponsorship of international seminars and conferences; the development of textbooks and audio-visual materials for use in schools abroad, and related educational activities.

	FY-83	FY-84
Funds	$20,000	$100,000
Staff		

(25)
European Institute to Survey Status of Democracy in the World

An American non-governmental organization issues annual reports on the status of freedom in the world. A European effort of similar proportions, focused on the status of democratic institutions in the world, would add appreciably to the debate on democracy which we seek to encourage. Human rights group would be tasked to monitor the situation of democratic institutions on a global basis and to issue annual reports. A substantial portion of funding should come from non-USG sources. Originating with a private organization, the reports would be seen as objective and act as catalyst for debates. FY-83 money is for limited travel and communications costs in setting up a reporting network.

	FY-84
Funds	$500,000
Staff	

(26)
New Center for the Study of the Soviet Union

The Center would be a focal point for recent emigres (scientists, economists, sociologists, historians and others) for study and publication on issues related to the Soviet Union and Eastern Europe. It would provide: institutional links and initial orientation for new immigrants; a library; a clearing house for relevant organizations and materials; annual conferences on particular aspects of U.S.S.R. and Eastern European affairs; and linkage with U.S. and European universities. It would commission, fund and publish 5-10 studies annually and provide 10-20 stipends to recent emigrants. These funds represent a "seed" grant, probably to a U.S. university or foundation, to establish the center. Participatory funds will be sought from European as well as U.S. foundations.

	FY-83	FY-84
Funds	$1,000,000	$3,300,000
Staff	2 o/s American	4 o/s American

(27)
Support for Binational Centers in Latin America

English teaching and library programs in the approximately 120 binational centers in the Western Hemisphere are by far the most cost-effective and rational way to speak to tens of thousands of young people of the successor generation. BNCs are a far more valuable resource than anything the Soviets have to effectively reach large numbers of people at low cost in their own communities. Selected binational centers should be encouraged to establish ties with local universities and non-partisan civic groups to generate courses on democratic principles and practices in Latin America. They should also be assisted in expanding their English teaching programs, libraries and cultural programming, the three major mandates of all BNC's.

	FY-84
Funds	$500,000
Staff	

(28)
Expansion of Latin American Scholarship Program of American Universities

The Latin American Scholarship Program of American Universities (LASPAU) was established in 1965 to provide assistance in developing university departments related to development concerns. Some 400 universities are associated with the program coordination agency that is connected with Harvard University. Current AID funding is approximately $1 million annually. Increased funds for this program would provide additional scholarships to Latin American university faculty to study in the U.S. in such fields as political science, government, and others involving democratic concepts.

(29)

African-American Issues Center

	FY-83	FY-84
Funds	$250,000	$323,000

An African-American Issues Center would bring together Africans and Americans to explore problems of mutual importance, and would focus research and discussion on priority concerns. Such centers already exist for other regions of the world, but no single American institution fulfills this need for Africa.

The Center would host leading African intellectuals, both officials and scholars, as its fellows. It would provide a focal point for sustained dialogue on such basic issues as the role of the private sector in African development, African peacekeeping and regional security, political structures in ethnically diverse states, and problems of African agriculture. The Center would demonstrate genuine American concern for African development, and show influential Africans the relevance of democracy to their own problems.

(30)

African-U.S. Scholar Exchanges and University Linkages

	FY-83	FY-84
Funds	$400,000	$800,000
Staff		

African universities, many recently established, are rapidly becoming focal points of political thought and debate. At the same time, African faculties and significant segments of the student population tend to view the world through Marxist lenses and have little understanding or sympathy for democratic values and processes.

As they develop into institutions of national importance, these universities desperately need assistance. Acute shortages of instructors create a short-term demand for foreign professors, and a long-term need to develop an indigenous faculty.

We can get in on the ground floor with these new universities, and encourage strong institutional ties with American institutions, by providing additional support for USIA's extremely successful FY-82 university linkage project. Grants of $50,000 would be made available over a three-year period to paired African and American universities to develop a long-term exchange of scholars and expertise.

(31)
English Teaching Initiative in Africa

	FY-83	FY-84
Funds	$800,000	$1,000,000
Staff	1 Domestic	2 Domestic
	2 o/s American	2 o/s American
	2 FNE	2 FNE

Teaching English as a second language has proven an extremely effective method of increasing understanding of the United States and democracy among high priority African audiences, and, by enhancing language facility, improving their access to books and other written materials about the U.S. and democratic principles and institutions.

English teaching also has an important impact on a younger, self-selecting audience, many of whom are destined to move into responsible positions. While such programs have experienced real success in a handful of countries they frequently rely on what professional American talent might be available in remote African capitals and have not received the level of support their potential impact warrants.

1. A major increase in the number of Africans studying for advanced degrees in English as a second language at American universities. (50 Fulbright student grants)

2. To further enhance the quality of English language teaching and the priority it receives in African curricula, an intensive, short-term summer training program should be implemented. (50 short-term grantees)

3. Existing post English teaching programs should be enhanced at nine Francophone posts.

20-612 O - 83 - 10

FY-84

Funds $1,000,000
Staff

(32)
Middle East Fellowship Program

This Fellowship program is directed toward relatively young academics who through experience, training, or personal initiative demonstrate the ability to play key roles in both the economic growth and institutional leadership of their country. The primarly focus of the project will be to finance a semester's visiting professorship in a U.S. university. In addition to teaching responsibilities, the professors would be able to update their knowledge in their fields. Specific areas would be the social sciences, law and government, with a focus on the compatibility of the diverse religious and cultural traditions of the area with democracy.

FY-84

Funds $100,000
Staff

(33)
Middle East Peace and Development Conferences

Enable a private U.S. organization to develop a series of programs to bring Israeli and Arab intellectuals together on neutral territory. The organization could sponsor joint programs with such regional organizations as Al Ahram's and Tel Aviv University's Centers for Strategic Studies. It could also underwrite travel for Israelis and Arabs attending certain international conferences on matters of common concern such as the role of political parties in national development.

	FY-84
Funds	$280,000
Staff	

(34)
Democracy Symposia at the American University of Beirut, (AUB) and the American University of Cairo, (AUC)

A series of meetings and symposia built around the theme of "Democratic Institutions - their Growth and Development in the 20th Century." Each program would be administered and developed by a senior American lecturer recruited for this purpose, assisted by political scientists from the region. Formal academic papers would be presented by invited participants; these would be printed (and translated) for use by political science faculties throughout the Middle East.

(35)
Foreign Journalist Tours

	FY-83	FY-84
Funds	$250,000	$326,000
Staff	1 Domestic	2 Domestic

This project is to be designed and arranged by USIA's Foreign Press Centers (FPC) specifically for high-level working journalists to increase their understanding of the U.S. and how our government works, and to engage them in discussions of particular issues relevant to their concerns.

	FY-83	FY-84
Funds	$250,000	$600,000
Staff	1 Domestic	5 Domestic

(36)
Magazine: Communications Impact

Even as technology in communications advances, many governments seek to restrict, or control the flow of information. The proposed magazine, molded after USIA's highly successful "Problems of Communism", will champion free communications -- and the benefits that flow from it. COMMUNICATIONS IMPACT will insure that issues of importance to the U.S. and the other industrial democracies are aired and discussed at a time when revolutionary changes are at hand in communications technology. It will be issued quarterly to a total circulation of 80,000 in English, Spanish and French.

	FY-83	FY-84
Funds	$1,000,000	$4,455,000
Staff	4 Domestic	10 Domestic
	2 o/s American	8 o/s American
	3 FNE	11 FNE's

(37)
Worldwide Book Publishing Proposal

Textbooks, collateral reading and advanced professional works are vital to university students and their mentors who are studying political, economic and social systems at a critical stage in their intellectual development. Books reflecting democratic views are lacking, while books bearing the Marxist dialectical philosophy are readily available, often at low prices. No other country approaches the 82 million books for export that the U.S.S.R. publishes in foreign languages annually. In 1983 and 1984, USIA will provide a core collection of textbooks relative to U.S. democracy and its institutions, translated by foreign publishers, with our assistance, for commercial sale.

(38)

Language Versions of "Problems of Communism"

FY-84

Funds $400,000
Staff 4 Donestic

The magazine, "Problems of Communism", is a high-quality, scholarly publication with an international reputation. This proposal seeks to significantly increase the readership of this excellent review, now published only in English, by initiating four foreign language editions. Circulation will be doubled to 40,000 and French, Spanish, Portuguese and German language versions will be produced.

(39)

Support for Sending Observers to Trials of Leading Proponents of Democracy

FY-84

Funds $300,000
Staff

The International Commission of Jurists (ICJ) occasionally sends members to observe trials of individuals being prosecuted in questionable circumstances. With adequate funding, this could be turned into a regular program to enable internationally respected jurists to attend trials of more people who are being prosecuted for their attempts to support the democratic process or to exercise the freedoms upon which democracy is based. Money should be made available to the ICJ through its U.S. chapter to support the travel of additional observers and to develop a more effective means of publicizing flagrant abuses of legal procedures.

	FY-83	FY-84
Funds	$120,000	$120,000
Staff		

(40)
Support for the Free Press in Latin America

Attacks on freedom of the press in Latin America generally come from two quarters: undemocratic governments, whether totalitarian or authoritarian, and critics of what they view as biased coverage of events in Latin America by Western news agencies. The following proposals are designed both to buttress resistance on the part of practicing journalists to governmental control, and to reach the "successor generation" of journalists with our view of the role of the press and the importance of the free flow of information.

1) Scholarship program - 10 grants annually to young Latin American journalists.

2) Two professorships in communications at regional universities.

	FY-83	FY-84
Funds	$100,000	$1,000,000
Staff		

(41)
Central American Media Program

The Simon Bolivar Foundation is a U.S. based private voluntary organization registered with AID. For FY-1983 the Foundation has proposed a program for a regional newspaper for the rural populations in Honduras, Guatemala and El Salvador. The newspaper would provide information in such areas as family health, agricultural management as well as the merits of supporting democracy. Another element of the program would be the development of programs for use by existing radio facilities in Central America. These programs would provide the rural population with important information on economic and social issues important to their daily lives, including the ways in which local populations can encourage the development and strengthening of democratic institutions.

(42)

	FY-84
Funds	$500,000
Staff	1 Domestic

Support for the Free Press/Africa

African journalists frequently see the U.S. as a capitalist superpower, seeking its own advantage without regard for the interests of others. The disposition of these journalists toward the U.S. and their understanding of the role of the media in an open, democratic society could be favorably influenced by personal exposure to the U.S. and our journalistic traditions. By careful selection of talented young and mid-career journalists for the program, press coverage of the U.S. could be improved markedly. The program for African journalists will include the following initiatives:

1. A "hands-on" training program for mid-career journalists conducted by a reputable university center for communications.

2. A three-month training program with the VOA or American local stations.

3. A two-month summer training program in the U.S. for a selected group of recently graduated journalists. The program will include a month of study at a respected center of communications, focusing on the constructive role of a free press in a democratic society. The academic period will be followed by a month-long internship with a major American news organization.

(43)

	FY-83	FY-84
Funds	$150,000	$250,000
Staff		

Cooperation with Independent Third World Media Organizations

To the extent that non-aligned reporters develop links with free press sources and learn their methods, they will be less susceptible to misinformation and more likely to report accurately on issues of concern to us. We propose to begin a pilot cooperative training program for representatives of the non-aligned media at a U.S. institution with experience in international journalism. Participants will study modern communications technology and advanced journalistic techniques and take part in seminars on professional concerns. They will also get work experience at appropriate American media organizations.

	FY-83	FY-84
Funds	$4,000,000	$13,800,000
Staff		

(44)
Worldwide Initiative to Support Free Labor Movements
Overview:

The U.S. and democracies throughout the world would benefit from a strengthened international free labor movement. Free trade unions have proven to be strong supporters and practitioners of democracy, which they regard as necessary for their existence. Free labor has proven to be a bulwark against Soviet and communist attempts to control the domestic and international labor movements and labor-oriented political parties. Free trade unions also have been "schools for democracy" enabling millions of workers, farmers, and peasants to affect their lives and working conditions through democratic elections and collective bargaining. A strengthened national and international labor movement would bolster democracy both in countries where the Soviets are engaged in overt and covert political action programs in the labor sector to shift the political balance of power as well as those regions where the Soviets are supporting communist and radical insurgents in an effort to undermine stability and the democratic labor movement.

American labor has been steadfast in its support of democracy, strongly opposed to all forms of dictatorship, and has a proven record of effective moral and material assistance to the international free labor movement. By bolstering American labor's efforts, directly through the AFL-CIO, and by supporting youth, university, and public policy centers which cooperate closely with organized labor in the U.S. and abroad, the U.S. will be able to strengthen democratic elements throughout the world.

The following programs would accomplish these purposes:

(1) Trade Union Educational Exchanges ($3 million)
(2) Foreign Policy and Defense Information Programs ($3.3 million) (Start up in FY-83 at $1.5 million)
(3) Assistance to Democratic Trade Unions and National Labor Centers (Start up in FY-83 at $2.5 million) in Priority Regions and Countries ($6.0 million)
(4) Assistance to International Labor Bodies Which Support Democratic Trade Unions ($1.5 million)

Question 36. Are any of the grants directly or tentatively earmarked for certain organizations or institutions: If so, could you list the programs and the organizations or institutions?

Answer. The draft which has been circulated contains preliminary programs proposals agreed upon by USIA, the Department of State, and USAID, working together with our embassies and missions abroad. Those non-governmental organizations which are mentioned, such as the Asia Foundation, are meant to be indicative of the kind of institution which has the necessary infrastructure, capability and/or experience to carry out the proposed program. Grants under Project Democracy will be awarded in accordance with the procedures of the respective implementing agencies, e.g. Project Democracy grants to be administered by USIA will follow the revised grant procedure recently adopted by USIA's Bureau of Educational and Cultural Affairs.

Question 37. Does USIA currently have an audit and review process to check for fraud, abuse or mismanagement in its grant programs? Will Project Democracy have such a review mechanism?

Answer. Yes. In addition to the safeguards built into USIA's grant procedure (see above), USIA's Office of Audits and our Office of Inspections are charged with the responsibility to check for fraud, abuse, or mismanagement in the administration of our grant programs both within USIA and by grant recipients. This will apply to Project Democracy grants as well. Project Democracy will also have the benefit of discrete authorizing legislation, which we are now drafting at the request of Congress, to clarify how the program will be managed and to set forth guidelines ensuring its bipartisan character.

Question 38. Project Democracy has earmarked $500,000 for fiscal year 1983 and $1,200,000 for fiscal year 1984 for symposia on the foundation of a free society for selected military leaders of developing nations.

Why is USIA doing what DOD already does?

Answer. The type of project USIA envisions for military leaders from developing nations would not duplicate what the Department of Defense is already doing.

The Project Democracy proposal would entail a grant to a private organization, most probably a university, to develop a 4- to 6-week course on the foundations of a free society.

Participant travel within the United States and meetings with U.S. Government figures would also be involved. The program would be similar in character to what are presently called "group projects" within USIA's Office of International Visitors.

Selection of foreign participants in the symposia would be the responsibility of our Embassies abroad. Selection criteria would emphasize the choice of military leaders who presently hold or are likely to hold traditionally civilian government positions.

Question 39. What countries are being considered and how many participants do you plan to have in the program?

Answer. The estimated cost of one symposium for 20 participants is $125,000. If 14 symposia were held, there would be approximately 280 participants in total.

Participants in the symposia would be military leaders from Third World nations. Most likely, the symposia would be organized on a regional basis vis-a-vis participant composition, principally for language reasons. Embassies in Asia, Africa, Latin America and the Near East would be invited to nominate candidates for the program.

Question 40. What organization will be given this grant? What organizations are being considered?

Answer. There will be a public announcement in the Federal Register of USIA's program objectives and a suitable organization or organizations will be selected to implement the program following a review of all the proposals submitted.

Question 41. Project Democracy budgets $1.72 million over 2 years to assist Liberia's Constitutional Commission in translating publications and broadcasts into tribal languages, a large-scale campaign to explain and publicize the constitution, a series of research projects, a voter education program, redrawing electoral districts, registering voters, training election workers and electoral commission officials, convening the constituent assembly, installing the infrastructure of an operational voting system, and conducting a referendum and election.

Is there precedent for USIA projects becoming so intimately involved in the internal political affairs of another nation? Will such U.S. involvement raise questions internationally concerning the legitimacy or credibility of the Liberian constitutional process?

Answer. The Project Democracy program "Assistance for Liberia's Transition to Democracy" will be handled by the State Department not USIA.

This program grew out of a request for U.S. assistance from the 25-man Constitutional Commission of Liberia. The Commission is a semi-autonomous organization, not directly accountable to the present government of Liberia. The Commission has requested financial assistance from a number of other nations in addition to the United States in order to be able to carry out its designated responsibilities.

Question 42. Approximately $450,000 of Project Democracy will be used to fund travel and exchanges of information between religious figures in the United States and other countries.

Could you explain for the record the "Support of Religious Freedom Program" of Project Democracy?

Is there any precedent for this type of program?

What criteria will be used to select participants?

How do you guard against favoring one religion over another? Do you foresee any problems with the separation of Church and State doctrine?

Answer. A characteristic of democratic societies is the existence of a range of religious institutions among which the citizen is free to choose, or not choose, without state intervention or coercion.

This particular program is designed to support religious freedom, a basic element of a democratic system. This program is not intended to promote any particular religion or even religion itself; it is intended to promote the right to practice the religion of the individual's choice or, equally, the right to be free of religion imposed by any authority. We do not believe a program of this character would violate the separation of Church and State doctrine.

We envisage asking a group of religious leaders and theologians to develop specific programs which would most likely involve conferences, seminars, exchanges, travel and publications designed to encourage the international religious and lay communities to promote the concept and the observance of freedom of religion. We would expect to seek participation and support for the effort from denominational and inter-denominational leadership groups who have recognized status and the support of the official bodies of their denominations.

We are not aware of precedents for a program of this precise nature. There are precedents for U.S. cooperation with religious organizations and for U.S. grants to them—we need only consider such examples as the contracts drawn with many and varied religious and religiously-affiliated charitable and service organizations to process refugees into the United States or to distribute foreign assistance. There are adequate mechanisms within the government—including contracting regulations and the GAO—to ensure that favoritism does not damage the project.

Question 43. A quarter of a million dollars of Project Democracy will be spent on workshops in Europe on Democratic Processes to explore Democratic/Pluralistic traditions in Western Society with the emphasis on how to expand democracy, especially in transition countries. Will these workshops include representatives from Socialist France and Sweden?

Answer. A broad cross section of European government officials, academics media and intellectual figures will be invited to participate in these workshops, including representatives from France and Sweden. Some Third World leaders may also be invited to participate.

Question 44. What purposes will be served by these workshops?

Answer. USIA's intention is for these workshops to be held under the auspices of a respected academic or research institution. Their purpose is to stimulate a constructive exchange of ideas on the value of democracy and its importance to developing nations, including such topics as the philosophical basis of democratic government, the history of its development, and the present day situation of democracy in the world and how it can be improved.

Question 45. Project Democracy contains $250,000 for a grant to the National Committee on United States-China Relations. A recent news report indicates that

the National Committee knows nothing of this grant. Is that news report correct? Why would you ask for funding for a grant that you are not sure will be accepted? Do you have so much funding that you do not know what to do with it?

Answer. The National Committee on United States-China Relations is one of the 14 "core" private organizations which have received funding from USIA's Office of Private Sector Programs in the Directorate for Educational and Cultural Affairs. In April 1981 the Committee received a 2-year grant which ran through December 1982 totaling $537,207. The Committee has expressed an interest in receiving a grant during fiscal year 1983, and pending the availability of funds, $325,000 has been earmarked for their activities. Project Democracy would provide $250,000 in fiscal year 1984 for the Committee.

As USIA Director Wick has stated in public testimony before Congress, the programs in the Project Democracy package are preliminary proposals. In most instances, private organizations mentioned in Project Democracy are cited for illustrative purposes only.

The one major exception to the above is the Asia Foundation, which has submitted a comprehensive program proposal.

Question 46. Why is there such a large increase (over the continuing resolution levels) requested for construction?

Answer. The NSC Report and the General Accounting Office Review both recognize that even the limited capability of the Voice to be heard is diminishing. This is due to the aging of our transmitting facilities and the lack of strategically located sites needed to get our message heard worldwide. The recent GAO report states that "The Voice of America should address existing problems to ensure high performance. The management of the Voice of America should aggressively pursue solutions to long-standing problems in order to continue broadcasting successfully." The requested increase initiates a much needed program that will provide a global network capable of meeting current public diplomacy objectives and responding to changing programing requirements.

The deficiencies cited by NSC and GAO are serious, and the Voice must immediately begin to correct deficiencies at its existing operational facilities. It must also expand selected operational sites and construct additional new facilities, as indicated in the USIA fiscal year 1984 Congressional budget submission.

The plan covers modernization of essential existing facilities, expansion of selected sites, and construction of additional new facilities. This plan is designed to provide an adequately strong signal to designated target audiences. Present VOA facilities are obsolete, employ underpowered transmitters, have inefficient misdirected antennas and rapidly deteriorating electrical power plants. VOA coverage of large areas of the globe is inadequate. Additional sites are required, many exiting sites must be expanded and most existing facilities must be rehabilitated and modernized. We have, therefore, provided a plan (through 1988) to modernize and expand the Voice to accomplish the basic task of providing an effective usable signal to target areas identified by the NSC.

Question 47. Is it necessary to almost double your engineering staff?

Answer. The Voice of America has a technical plant in operation worth $2 billion. Furthermore, an additional $800 million will be invested during the next six years, plus operating and maintenance costs totalling $500 million. This extremely large, diversified, and complex system requires a highly qualified staff of professional engineers to operate and maintain—VOA can no longer afford to use technician level personnel to manage this system, as indicated by the steadily deteriorating condition and increasing inefficiency of VOA's facilities. Present staffing for the system totals 934.

Of the total increase, 22 positions will be to perform essential functions at overseas relay stations. One American position will be added to each of six major relay stations to provide on-site professional engineering maintenance expertise. Three American technical monitoring positions will be re-established in Belgrade, Helsinki, and Vienna to provide essential feedback regarding our signal quality. Thirteen foreign national positions will be added to overseas relay stations: six at the Philippines Relay Station to maintain recently installed high power transmitters, and seven at Kavala and Munich Relay Stations to cover recent governmental compensation agreement changes.

Five positions will be used to fully staff the operation of the domestic Bethany, Ohio, Relay Station.

The remaining 140 positions, located in Washington, are to provide a competent central engineering capability. The recent GAO and other reports have focused on two pervasive shortcomings in VOA central engineering capability—the absence of an engineering organization which could provide effective management and the lack of comprehensive and professional planning. The two shortcomings are clearly interrelated and have both contributed to the inefficient state of the network. There has been a noticeable and frequently criticized lack of comprehensive long-range planning. Further, the preliminary or "front-end" engineering so essential to guide complex technical projects has been insufficient. As a result, too many finished projects have fallen far short of expectations.

Until recently there has been little awareness that an engineering organization was needed that went beyond a network of technicians and field engineers. Twenty or thirty years ago, when the system was smaller and the pace of technological advances was slower, VOA's technician-oriented organization was marginally adequate. Recently, though, this latent management insufficiency has become difficult to ignore. Expensive antennas and other broadcast components have been procured which could not do the job for which they were intended. Brand new power generators burn up, seemingly inexplicably. Major construction projects are constantly changed in scope and never seem to get off the ground. These and many other mistakes can be attributed to a lack of sound engineering.

It has become quite apparent that VOA's most urgent need is to establish an engineering organization able to operate, maintain, repair, and manage a vast, worldwide communications network in a systematic, professional, and effective manner. VOA's declining status in the community of international broadcasters has resulted not merely from obsolescent equipment but also from a lack of professional engineers and a management structure to hold together the existing system. The present staff is struggling merely to keep the faltering technical plant of VOA on the air every day.

The increase in the Headquarters organization which Engineering must have to function effectively is only a small fraction of the personnel who operate and maintain the present transmitter sites throughout the world. The annual cost of the headquarters staff increase will be less than one-half of one percent of the replacement value of the existing overall system. The improvements in engineering and management skills will lead to dramatic gains in effectiveness compared to the modest cost of obtaining competent engineering capabilities. The functions incorporated in the new central organization will resolve long standing technical and managerial deficiencies within engineering. Numerous key functions which have not been performed in the past will now be accommodated.

Of the 140 additional slots allocated to central engineering, some 122 are necessary to adequately handle the present plant. Having the organization framework together which incorporates the long neglected functions for efficient operation, maintenance, and repair of the present plant will then allow for specific management of three major projects with the remaining 18 slots.

Question 48. How much has Congress authorized for the acquisition and construction of radio facilities since 1976? How much of that amount was actually spent for that purpose?

Answer. During the period 1976–1982 Congress has authorized a total of $52.7 million for the major construction activity. Of this total $22.8 million was obligated prior to fiscal year 1983. All of the $22.8 million obligated addresses the projects authorized by Congress. However, the expenditure rate has been slower than was anticipated.

The recent GAO report states that "The Voice of America should address existing problems to ensure high performance. The management of the Voice of America should aggressively pursue solutions to long-standing problems in order to continue broadcasting successfully." GAO specifically cited a lack of preliminary "front-end" engineering and the absence of long range planning. This failure to perform the preliminary engineering for projects has been a major contributing factor to the numerous stops, starts, changes in plans and individual project reprograming requests that have characterizedd VOA projects in recent years.

This situation is currently being corrected by significantly upgrading the technical and management competence of the VOA Engineering Organization in accordance with recommendations in the GAO report. The fiscal year 1983 and 1984 planned program, as set forth in the budget documents, incorporates the

orderly, properly engineered and managed approach that will let VOA proceed on schedule and with confidence in implementing our projects. As a result of this systematic progress, all "carry-over" funding will have been obligated (along with current fundings) prior to the end of fiscal year 1984.

Question 49. Negotiations are underway to maintain or establish VOA transmitter relay stations on foreign soil. Some of these negotiations may involve costly concessions. Could you provide a list of the agreements which are pending further negotiations or formal approval? What are the problems involved with each?

Answer. *Tangier, Morocco.*—In preliminary discussions with the Government of Morocco (GOM) concerning expansion and modernization of the VOA Tangier Relay Station, the GOM indicated that they would be responsive to a new modernized VOA Relay Station but would require additional new transmitters for their own services. Plans are being finalized to begin formal negotiations in the spring.

Greece.—In December 1977, the Greek Government notified the United States that it wished to terminate the existing VOA agreement for Relay Stations at Kavala and Rhodes. Negotiations for a new agreement started in 1978 but have not yet been completed. During the 1978 negotiations, the Greek Government stated its desire for a high power transmitter and associated antenna as part of the agreement. The VOA negotiations will be resumed after the Military Base Agreement is negotiated. The stations continue to operate without a formal agreement.

Botswana.—VOA has an existing agreement to operate a medium wave transmitter. Negotiations for a new agreement to install shortwave transmitters began in 1981. Issues concerning potential interference to their existing communications services and ownership of land are under discussion. The Government of Botswana continues to express interest in the project and believes satisfactory solutions can be found.

Sri Lanka.—Negotiations with the Government of Sri Lanka for a new agreement are continuing. Although some issues remain to be resolved, progress is being made in the negotiations.

Thailand.—The Thai Parliament has approved a 15-year extension of the present agreement. Formal signing should take place before the end of March.

Question 50. What is the status of the VOA medium wave transmitting facilities in the Caribbean? What VOA broadcasts currently reach that region?

Answer. Medium wave VOA broadcasts to the Caribbean are in the English language and in Spanish. The VOA Marathon station broadcasts in medium wave in Spanish to Cuba.

The VOA Antigua station broadcasts in English using a DOD interim transportable installation comprised of a 50 kW transmitter and single omni-directional tower. We have erected two additional towers and are in the process of awarding a contract to array these towers into a directional antenna that will direct the signal south through the island chain of the Lesser Antilles toward Georgetown, Guyana. A permanent station is planned and will be erected to assume this coverage.

We hope to provide more complete medium wave coverage of the Caribbean Basin by constructing additional transmitter facilities at other locations. Negotiations with host governments for these sites have been initiated. The Caribbean medium wave project is proceeding with the goal that all stations be operational in 1985.

Question 51. Could you explain in some detail any plans to update existing VOA facilities other than those located within the United States?

Answer. VOA plans for updating existing facilities include a system-wide analysis of the VOA worldwide transmitting system. These global assessments, carried out under fiscal year 1983 funding, will pinpoint what is needed to stop the ongoing deterioration of our ancient equipment and how to improve deficient VOA coverage at our present sites. VOA anticipates that a significant portion of the existing antennas around the world will need upgrading to perform effectively, and that many of the transmitters (some are pre-World War II) will need to be replaced or made more powerful. Power plants at many sites are old, inefficient, and unreliable, and they will need to be refurbished or replaced. Other components within the relay stations continue to fail inexplicably or are just totally "worn out". Another pervasive deficiency throughout the VOA network which will be addressed in these analyses is the lack of flexibility to react to changing requirements and respond to emergency situations.

A number of specific needs have already been identified to update existing VOA facilities in the Philippines, and in Liberia, Tangier, Munich, Rhodes and Kavala.

In fiscal year 1984, contracts will be awarded for design and installation of antennas for delivering equipment in the Philippines to improve VOA's capability for delivering strong, competitive coverage of Southeast Asia, and to permit improved coverage of Eastern U.S.S.R. and China.

The fiscal year 1983 and fiscal year 1984 estimates include costs for the completion of the necessary modification and repairs of the Liberia power plant generator units.

Advanced Engineering and Technical Development will be undertaken in fiscal year 1984 to replace the existing facility in Tangier. The new Tangier facility will enable VOA to broadcast simultaneously in five languages for coverage of Central Europe, South Europe, North East Africa, and West Africa.

The Munich Relay Station modernization will replace four 100 KW transmitters built prior to World War II with modern high-powered shortwave transmitters and associated antenna systems.

In Rhodes, high powered shortwave transmitters and associated antenna systems will be installed to improve shortwave coverage in the Middle East.

In Kavala, additional antenna systems will be provided to improve coverage of selected target areas.

Question 52. Although some observers had predicted at the outset of this administration that Voice of America newscasts might reflect political bias, we have heard very little criticism in this respect. Can we assume that you and your associates are serious about observing the Voice of America Charter which mandates accurate, comprehensive and objective broadcasting of the news?

Answer. We are concerned both with preventing political bias from creeping into our newscasts as well as observing the charter which mandates accurate, comprehensive and objective broadcasting of the news. These concerns are not mutually exclusive. But, they do reflect high goals which we must constantly strive to meet.

Question 53. We were advised by USIA that agreement had been reached with Sri Lanka about the terms for new transmitter development there, but have heard nothing about construction plans. Can you bring us up to date on this?

Answer. Negotiations with the Government of Sri Lanka for a new agreement are continuing. Although some issues remain to be resolved, progress is being made in the negotiations.

Interference studies and initial surveys to evaluate possible sites have been conducted. Preliminary investigations of antenna systems and the projected coverage of target areas have also been undertaken. Obligations in 1983 will cover Advanced Engineering and Technical Development, which will require 12 months to complete. This constitutes an essential initial phase of engineering not heretofore conducted prior to trying to go ahead with implementation (construction). The Architectural and Facilities Engineering Design work (A&E) will be performed in 1984 and will also require 12 months to complete. This A&E work will be based on the functional design and performance requirements resulting from the fiscal year 1983 Advanced Engineering and Technical Development. The A&E output provides the detailed specifications and "build-to-print" design necessary for actual construction. Construction will be completed in 1987.

Question 54. We understand that there has been some disagreement at VOA about the projected coverage of new Sri Lanka transmitter development. Although VOA testified before this Committee that the coverage would be immense, we hear that this assessment is now in doubt. Can you clarify the situation for us?

Answer. Current VOA planning studies recognize that the most reliable short wave coverage can be provided within 1,700 miles (one-hop coverage) with less reliable coverage out to 3,000 miles (second-hop coverage). Studies in the past indicated that a maximum two-hop coverage could be provided to a range of 2,300 to 3,500 miles depending on the time of day. There is no significant discrepancy between present and past estimates of broadcasting coverage. Naturally, to the extent that it is feasible to do so, it is preferable to provide coverage using a combination of sites that rely on the highly dependable one-hop transmissions. If an adequate number of sites is not available, then two-hop coverage is employed.

[Whereupon, at 12:355 p.m., the committee adjourned, subject to call of the Chair.]

BOARD FOR INTERNATIONAL BROADCASTING AUTHORIZATION

WEDNESDAY, MARCH 2, 1983

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The committee met, pursuant to notice, at 12:35 p.m., in room SD-419, Dirksen Senate Office Building, Hon. Charles H. Percy (chairman of the committee) presiding.

Present: Senators Percy, Pell, and Dodd.

The CHAIRMAN. We will now call on our witnesses from BIB, and would appreciate the witnesses stepping forward.

We will begin with testimony from the Honorable Frank Shakespeare, Chairman of the Board for International Broadcasting, accompanied by the Honorable Ben J. Wattenberg, Vice Chairman, BIB; Honorable James L. Buckley, former Senator Buckley, President, Radio Free Europe/Radio Liberty.

These distinguished gentlemen will present the administration's case for a $13 million supplemental authorization for appropriations for fiscal year 1983, and a $106 million request for fiscal 1984 for the Board for International Broadcasting, the independent Government agency which receives appropriated funds and allocates them to Radio Free Europe and Radio Liberty.

[Text of S. 694 follows:]

98TH CONGRESS
1ST SESSION

S. 694

To amend the Board for International Broadcasting Act of 1973, to authorize a supplemental appropriation for fiscal year 1983 and to authorize appropriations for fiscal years 1984 and 1985.

IN THE SENATE OF THE UNITED STATES

MARCH 7, 1983

Mr. PERCY (by request) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

---

A BILL

To amend the Board for International Broadcasting Act of 1973, to authorize a supplemental appropriation for fiscal years 1983 and to authorize appropriations for fiscal year 1984 and 1985.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Board for International Broadcasting Authorization Act, Fiscal Years 1983, 1984, and 1985".

AUTHORIZATION OF APPROPRIATIONS

SEC. 2. Section 8(a)(1)(A) of the Board for International Broadcasting Act of 1973 (22 U.S.C. 2877(a)) is amended to read as follows:

"(A) $120,140,000 for the fiscal year 1983, $115,702,000 for the fiscal year 1984, and $121,371,000 for the fiscal year 1985.".

20-612 O - 83 - 11

Senator PELL. Excuse me. How much time do we have?

The CHAIRMAN. We have 35 minutes.

Senator PELL. So I hope you will leave time for us to ask questions.

Mr. CHAIRMAN. Mr. Shakespeare, we would be pleased to hear from you.

STATEMENT OF HON. FRANK SHAKESPEARE, CHAIRMAN, BOARD FOR INTERNATIONAL BROADCASTING, ACCOMPANIED BY HON. BEN J. WATTENBERG, VICE CHAIRMAN, BOARD FOR INTERNATIONAL BROADCASTING, AND HON. JAMES L. BUCKLEY, PRESIDENT, RADIO FREE EUROPE/RADIO LIBERTY, INC.

Mr. SHAKESPEARE. Indeed, Senator Pell, I will not make any prepared statement and will merely try to be responsive to your questions given the shortness of the time.

I just want to say for the record, as you had said, Mr. Chairman, the gentleman on my right is Ben Wattenberg. There are three remarks I would like to make about him.

One, he is the Vice Chairman of the Board. Second, he is chairman of the program committee of the Board. and so he has been very closely involved in programing, which of course in broadcasting is of the essence. And third, he has been very active, making frequent trips to Munich and that sort of thing. So he has been deeply involved in the new Board process which resulted from your change in the management structure of the legislation last August.

On my left is James Buckley, who as of November 1 became president of Radio Free Europe/Radio Liberty and its chief officer functioning in Munich. Since the first of the year, he has been a full-time resident in Munich, running the operations on a day-to-day basis.

Other than that, sir, we will try to respond to your questions.

The CHAIRMAN. Fine. Thank you very much.

Do either one of you have any comments or statements you would like to make?

[No response.]

The CHAIRMAN. I would first like to ask how the BIB Act has been operating, because it has been 6 months since we amended the BIB Act to give the Board undisputed authority for RFE/RL policy and management.

How many Board meetings have been held in that time? Have they been 1-day, 2-day meetings as in the past? And have you kept comprehensive minutes of the discussions according to usual BIB practice?

Mr. SHAKESPEARE. Let me try an answer to that, Mr. Chairman, and then Mr. Wattenberg and Mr. Buckley may want to make observations.

You put us in existence, as you indicated, last August. You enlarged the Board from five to nine, but the Board has actually been functioning as five because the four additional people are going through clearance, and those names will be submitted shortly by the administration for review by your committee. Essentially the Board is five people.

We have met with very great frequency. I would say that the Board is in meetings averaging at least once a week, more likely twice a week. Now, that is rarely in the form of a formal Board meeting where you have a prepared agenda and that sort of thing.

The CHAIRMAN. How many formal Board meetings have you had?

Mr. SHAKESPEARE. I would guess two or three or something like that, sir. I cannot answer directly.

[The information referred to follows:]

There were two formal Board meetings, Aug. 19, 1982, and Dec. 10, 1982. Each meeting lasted less than half a day.

The CHAIRMAN. Could I have the exact number, and the dates they were held, and the length of those meetings?

Mr. SHAKESPEARE. Yes. But I wanted to draw a distinction between a formal Board meeting and de facto, what is actually happening in the management.

Mr. Wattenberg and I have been, either together or separately, to Munich probably four or five times each. We meet regularly. With all five of the Board members residing in Washington or conveniently able to get here, the Board is very active.

I would hope that, as we go down the road and as things settle out, in fact the Board will be less active, but it is because of the whole new situation that we are staying very close to it at the present time.

The CHAIRMAN. Do you and Mr. Wattenberg understand fully that it is the intention of Congress that this be run by the Board and that it not just be run by one or two individuals, and that some formalization would be essential for any proper oversight?

Do you understand that?

Mr. SHAKESPEARE. Yes, sir.

The CHAIRMAN. And it is your intention to fully carry out the intent of Congress in this regard?

Mr. SHAKESPEARE. Yes. I think that when we have the full nine members of the Board—and the names being proposed to you for membership will reflect a first-rate team of people with cross-sectional experiences—it is our intention, Mr. Chairman, to do several things structurally. We intend to establish three committees of the Board. One will be the program committee, one will be the operations committee, and one will be the legislative committee. We intend to have at least one annual meeting in Munich, have the nine members of the Board there just the way that a private corporation has an annual meeting in its headquarters, if you will, for the stockholders once a year.

A great deal of what you say about the involvement of the Board is going to depend on the time that the private sector citizens who come on this Board are willing to give to it. But we will make every effort to involve the Board closely and immediately as a board in the policy responsibility that you rightfully put upon us.

The CHAIRMAN. Fine. I thank you.

Now, one of the most impressive ways in the past through which the Board has exercised oversight over Radio Free Europe and Radio Liberty programs has been the series of indepth evaluations by inde-

pendent, objective outside personnel, language-qualified experts in both the academic community and elsewhere.

In your recent reports you mentioned specifically the evaluations that were made in the year 1981 for programs. Why were no evaluations made in 1982? What are your plans for making evaluations of programs in 1983?

Mr. SHAKESPEARE. We would go with the principle of outside evaluations as being invaluable. That is, taking a lottery selection of programing, sending either the scripts or tapes to people uninvolved but knowledgeable either in the emigre community or universities or study centers, and having those analyses done on an ongoing basis.

I might ask Mr. Wattenberg, who is directly involved with programing on the Board committee, to comment on that. Ben, would you want to comment on the chairman's question?

Mr. WATTENBERG. Well, my own thought is that, Mr. Chairman, it is absolutely imperative.

Frank had asked me to serve as chairman of the program committee, which is a great honor, and I am trying to do the best I can. But we broadcast in 21 languages, of which I speak none, and the only way that any intelligent appraisal can be made of these services is exactly through that sort of independent evaluation. And I know Jim Buckley is doing that sort of thing ad hoc in Munich day by day, trying to get a sense of what is going out on the air. He is in touch with me on a regular basis. We were all just over in Munich trying to get a sense of what the service chiefs there thought was missing and what we could do to improve those services.

But I would surely endorse the idea that that is absolutely integral to the effective operation of the stations. In fact, there is no other way it can be done.

The CHAIRMAN. For a variety of reasons this committee through the years has suggested that and urged that there be more programing done in the United States.

I noticed in your report that you discussed the near total concentration of program production in Munich and decreasing use of personnel and program resources in the United States. How many people do you actually have in the United States today, and of these 75 new positions you are requesting in the fiscal 1983 supplemental, how many have been earmarked for the New York and Washington offices?

Mr. SHAKESPEARE. I will have to submit the exact breakdown of positions to you for the record, Mr. Chairman.

[The information referred to follows:]

Additional personnel are needed as correspondents and monitors in the new bureaus located in the North Pacific, Middle East and Pakistan and monitoring sites in Scandinavia and Turkey. Assuming additional financing, we will want to bolster the strength of our U.S. news bureau along with existing news bureaus in Paris, London and elsewhere, all of which are shorthanded. However, it is not possible at this time to determine exactly how many new programming/news positions will be assigned to the various locations in which RFE/RL operates or wishes to operate.

Mr. WATTENBERG. Basically there are two operations, one in Washington and one in New York, which are related to programing. I am leaving aside the BIB staff. And those are essentially news bureaus.

We do intend to expand both the Washington and the New York news bureaus. But as to the question of originating programing, our criteria for originating programing will be to originate it where the programing we want to do can be most effectively and usefully produced. And I would not want to make any observations at this point as to where that will be. I can just make some comments along this line.

In the request that we have before you, we propose the establishing of a number of new bureaus, for example, in northern Pakistan near the Afghan border, in the northern Pacific to cover Japan, Korea, Taipei, Hong Kong and China.

It is obvious that, if we are broadcasting every day into the Soviet Union, events in the Afghan and Muslim world, in Iran, in China, and Japan become enormously significant. To go to the matter of programing, simply by the establishment of those bureaus which will each probably be two people with a tape recorder, you will change a great deal of the flow into your news broadcasts; because now from those areas we are just rip and reading from AP, UPI, Agence France Presse, and Reuters.

That is just a general way of talking about programing, but I would like to leave you with the thought that we will create the programing where we think the best programing can be created, whether that is in a bureau, whether it is in the United States or whether it is in the RFE/RL broadcast center in Munich.

The CHAIRMAN. Senator Buckley, the current balance in the Radio Free Europe and Radio Liberty fund, what is that balance? How are you planning to use it, and what controls have you instituted to prevent mixing of these private contributions with appropriated funds as required under the BIB Act?

Senator BUCKLEY. We currently have a balance of $150,000. We have a meeting scheduled for April 4 in which to review the proposals that have been made for the utilization of those funds. We totally intend to maintain that sharp distinction between appropriated normal flow of money for operating expenses and so forth, from the financing of specific projects concept which undergirds the concept of the fund. And we have on tap, if you will, a number of very interesting projects which far exceed what is available at the present time.

The CHAIRMAN. A final question to you then, Senator Buckley, relates to the $5.8 million requested as a capital request to build an entirely new complex in Munich with 22 new studios.

As I understand it, you put out about 50 hours of fresh programs each day in the various languages, about a third of which broadcasts are done from news booths, and only 10 percent are done in New York. Why do you believe you need 22 new studios for only about 30 hours of programs daily?

Senator BUCKLEY. They are to replace and modernize studios that are currently in being and in constant use, but which are simply not state-of-the-art. Many of them have windows, and therefore sounds. They are not air-conditioned. They do not have proper insulation and so on. This, in turn, affects both efficiency and clarity of signal.

The purpose of this exercise is to get sound that is audible, that can penetrate jamming, and so on, and this becomes an essential part of the operation for clarity, for flexibility.

We have had—Frank Shakespeare, of course, is in the business of broadcasting, and we have had experts I guess from RKO look at that situation.

Mr. SHAKESPEARE. There is no question, Senator, about the technical need for more modern studios.

On the question of studio utilization, which is your question, why do you have so many of these studios, I got into that question the trip before last. The basic reason we have 20-odd studios is that the prime air time in Eastern Europe and west of the Urals in the Soviet Union, where basically all our language services are, except for the Turkish Moslem, are very similar, and a great deal of our programing is news and has to be very current.

And so when it comes to broadcast time and even if those services are on only 3 or 4 hours, practically all of our studios are in use. You cannot pretape a good many of those programs, because they are news. They are relating current events, what is happening now. So in point of fact, on a flow-chart use, we basically need to operate with roughly the number of studios that we now have.

We went into a discussion as to whether we could cut back one or two studios, and I think it is improbable that we can, although we are still considering that.

The CHAIRMAN. Senator Pell.

Senator PELL. Thank you, Mr. Chairman.

Having been the author of the invidious Pell amendment, I am curious as to what you feel has been its impact on the operation of the Board.

And second, supplementing Chairman Percy's request, I wish you would provide the names of the Board members who have attended the meetings and information about the length of time and the dates. And also what use is being made of the former Board members?

Mr. SHAKESPEARE. Well, the first observation I would make is that we do not refer to that amendment, with all respect, as the "invidious Pell amendment."

[The information referred to follows:]

The following BIB members attended the August 19, 1982 meeting: Chairman Frank Shakespeare and members Charles Ablard and Thomas Quinn, as well as ex officio members Douglas Manship and Glenn Ferguson. The following BIB members attended the December 10, 1982 meeting: Chairman Frank Shakespeare, Vice Chairman Ben Wattenberg and member Charles Ablard, as well as ex officio member James Buckley.

Senator PELL. Some of my friends do, though. Many of my friends.

Mr. SHAKESPEARE. Senator, the most important thing to say to you, as the people responsible now for the management of this operation, is that your decision as an individual and as a member of this committee and as a Member of the Senate, which really gave birth to the restructuring of the Board, was in our opinion—and Mr. Wattenberg and Mr. Buckley can speak for themselves—a wise decision. It needed to be done. It has clarified the management structure of these radios and will help the radios, and I think it is already helping the radios to be better.

Now, basically, one of the most important things that it has done is it has tended to eliminate a confusion about lines of authority, relationships, staff relationships, that sort of thing, leaving aside anything except human judgment. When you have two boards of directors associated with an endeavor and two staffs associated with those boards, even if men were angels, you set up an inherent conflict of associations, which I think was probably your root thinking.

And basically by having functionally a nine-person Board, bipartisan, serving 3-year staggered terms where you Senators will have every year three Board members before you, and you can ask all the appropriate questions and put us under the drill, as you properly should, I think will give an appropriately structured Board.

Now, it is too early for us to tell you exactly how the nine-person Board will function, because on an interim basis we have been serving with a five-person Board.

In my opinion—and I say this more as a citizen—I think as you go down the road, it is very important to get nine people who are of fairly diverse backgrounds on the Board in terms of their life experience, in terms of their judgments, in terms of what they can bring to bear, because you put final policy authority in this Board.

Now, something else that I wanted to respond to——

Senator PELL. The use of the former Board members. It was my hope and my intent that they be—the most active and alert and able of them—be put on the nine-member Board giving you kind of a transition. And I would hope that this is being done. Is it?

Mr. SHAKESPEARE. Senator, we have to find a way. The enlargement of the nine will, as it is now proposed, will not do that except in one case. But there ought to be a way, at least informally, for us to take advantage of the 25 to 30 people who have been associated with the various Boards through the years. I suppose that would have to occur in an informal committee.

Senator PELL. The one man who is going on does not meet the criteria I was talking about because it should be someone who has been on the old Board for some years and has an institutional memory as well. And I will be disappointed if you do not have at least a couple of members from the old RFE/RL Board on the new Board.

The conference report on the Pell amendment explicitly states that members from the RFE/RL Board should be included on the new Board. This was congressional intent, and I refer you to the conference report.

So I do think you ought to read that conference report, and follow congressional intent—you would not have had the amendment had it not been for me and the Congress—and abide by the conference report language. Otherwise, in the future you will find we would consider this a breach of faith, and I would not be willing to be supportive, and I think others of us would feel the same way. So I really do refer you to the conference report language.

Then another question here on the new appointments that are not from the Board. Naturally when you make them of one political party or the other, you presumably bring on a Republican, for example, who supported President Reagan, supported the candidate of his party, would that not be correct? Is that your definition of a Republican?

Mr. SHAKESPEARE. I do not want to presume in an area where I have no competency, Senator. The selection of the people for the Board will be made by the White House and submitted to you for your approval, and I am a Presidential appointee and I am Chairman of the Board.

Senator PELL. Do you not draw up the panel to start with?

Mr. SHAKESPEARE. I participate in the process. My thoughts are asked by the White House, but these are President Reagan's appointments.

Senator PELL. But, in general, I would hope that your definition would be, and I am sure it is in fact, that people who are appointed supported the President of their party.

Mr. SHAKESPEARE. That is certainly normally the case, and I would see no reason why this administration would act any differently than past administrations in that regard.

Senator PELL. And that should apply to both the Democrats and the Republicans?

Mr. SHAKESPEARE. Well, you mean that you should appoint only Democrats who support President Reagan?

Senator PELL. No. Only Democrats who supported the candidate the last time around, which would be Carter, Republicans who supported Reagan. That is the definition of a party member.

Mr. SHAKESPEARE. Let me make this observation. We are talking in the dark because we are talking about a theoretical situation. In fact, names are going to be presented to this committee shortly for its consideration.

In my opinion, the four new members who will be presented to you for your judgment will meet the criteria that you yourself have just indicated; they will be reasonably cross-sectional in terms of their philosophy, in terms of their political association and in terms of the individuals in this country that they support for leadership.

Senator PELL. Well, without beating around the bush, I think the general rule of thumb—and I know that this was applied in the last administration—is that Republicans who were appointed were Republicans who were bona fide Republicans and had supported the candidate which was President Ford. By the same token, I would hope you would use the same criteria in filling the Democratic seats on the present Board.

Now, I would also like to read into the record what the conference report says:

> The BIB will be expanded from five to nine members. In appointing new members and filling current vacancies, the executive branch would be well advised to draw from among the highly qualified members of the RFE/RL private board, and—if it wishes to secure the bipartisan consensus of support for RFE/RL which has prevailed the past 8 years—the executive branch would also be well advised to assure the new BIB is broadly representative of the entire domestic political spectrum.

I am not sure you are familiar with that language.

Mr. SHAKESPEARE. Yes: I had read that very carefully, Senator. I was very conscious of that.

Senator PELL. I would hope that the people who are sent up would meet that, and I will be very disappointed if there is nobody who served on the former Board.

Mr. SHAKESPEARE. The fact that they will be broadly representative—I believe that you will feel that the administration has been fully responsive to that aspect of it.

As to the question of whether we have drawn people directly from the other Board rather than going to a little different criterion, which is trying to get some of the very best people in the United States—and I think you will agree the names that are going to come to you can be reasonably considered in that category—associated with these radios and bringing support and strength to these radios. But that will be a matter for your judgment when that comes before you, sir.

Senator PELL. Will you set up some sort of board of advisers or something of that sort which you can do under Executive order?

Mr. SHAKESPEARE. Yes; I think I will. You mean to bring in a larger scoop the others? Yes, sir.

Senator PELL. And bring in the former Board members?

Mr. SHAKESPEARE. Yes. There is no question that that should be done.

Senator PELL. Thank you.

Now, what is the average number of years that the people on the staff in Munich have been out of their native country? In other words, how long have they been emigres? Do you have a figure there?

Mr. SHAKESPEARE. I am sure we can submit it for the record, but I know rough terms. The radios were put together, as you know, in the early fifties, and that is when the basic nucleus of what even now exists there was hired. A great many of those people are in their fifties and have been there 20 to 30 years and have not been back to their countries because they are emigres.

They are refreshed from time to time by recent emigrations. For example, in the Czech service, quite a few people left Czechoslovakia in 1968 after the troubles there. There are a number of new people, obviously, in the Polish service. In some of the smaller services, in the Turkish Moslem services, there you have a terrible difficulty because they are relatively small communities and they do not come to the West very often.

But basically, you have an aging service, there is no doubt about that. You have people, the bulk of whom have not been in those countries for 20 years or more. That means that the assessment of what is going on in that country has to be external rather than their personal memories, through Samizdat and Tamizdat through contact with emigre communities, close monitoring of people who travel to the West from those areas, by monitoring what their own radio and television and newspapers are saying, that sort of thing. That is where the research operation comes in.

Senator Bucklev wishes. obviously, to make a remark in that regard.

[The information referred to follows:]

	Number of employees—	
	Within last 15 yr.	15 yr. and over
Hungarian service: 68 employees (exiles)	12	56
Romanian service: 48 employees (exiles)	9	39
Czechoslovakian service: 82 employees (exiles)	24	58
Bulgarian service: 41 employees (exiles)	14	27
Polish service: 77 employees (exiles)	38	39
Research: 44 employees (exiles)	6	38
Russian service/nationalities services: 184 employees (exiles)	60	124
Total (544)	163	381

Senator BUCKLEY. I think one of the most pressing problems that faces us in the next 2 or 3 years is one of recruitment of competent, young people who have that clearer memory and understanding of the current situations in these countries. And it is for this reason that the incremental funding that is reflected in the supplemental and also in 1984 is of critical importance.

Because of German labor laws, we want to have the opportunity to train, to have an apprenticeship, if you will, before people are signed on, because then they are locked into place.

The talent, also, especially in these more obscure languages, is not something easily found, so we hope we will have the flexibility to grab someone, to double-slot, if you will, so as to nourish and renew the quality of people who have served us so well.

Senator PELL. That is a good objective. I wish you success in achieving it. My time has expired.

Mr. WATTENBERG. Could I just make one comment to your question about how the Pell amendment was working?

From my point of view, I would say that it has been working superbly, sir. Chairman Shakespeare, President Buckley, and I were just in Munich together for about 4 days. There was a meeting of the West European Advisory Commission to the Radios, and we attended that.

We had several day-long sessions that extended into the evening with all the chiefs of the language services, trying to elicit from them what their views were as to how programing could be bettered in their various stations—what we could do to help them, what they thought ought to be done if, indeed, the water level of the funding in these radio stations was increased as we hoped.

We were told, I believe, that it had been something like 7 years since such a session had been convened, and without making any comparison to the earlier Board, it seems to me that with a 25-person citizen Board, which seems to me an unwieldly situation, and with some split authority, that would have been a very difficult thing to do.

We have only begun this process. We designed it as a bubbling-up process from the people who are on the frontline at the microphones and their superiors to tell us what they needed. We had some views. There has been an interchange. We are in the process of developing this thing on the general theory that ultimately, when these things get moving correctly, we are going to be held accountable to you. And I do not want to come to you and say, "Well, it is the other Board, somebody else did it."

So I think the process that you had in mind of putting together responsibility and authority is well underway, and I for one must say it has been, personally, much more difficult and time consuming than I ever thought it would be. But so far, very worthwhile, sir.

Senator PELL. Thank you.

The CHAIRMAN. Thank you very much, Senator Pell. Senator Pell, I wonder if you would be good enough to chair the remaining part of the hearing.

Senator DODD. I will be very brief. Mr. Chairman.

The CHAIRMAN. If you could complete the hearing so that we can complete it and Senator Buckley can get back to Munich and so forth.

I had just one additional question. Vlad Pascaleff, the Washington representative of the Society of International Broadcasters, has point-

ed out to me the pension problems of the early retirees at Radio Free Europe and Radio Liberty. Without objection, his letter will be included at this point in the record. And I wish you would answer for the record whether you are aware of the condition that he points out, and is there enough leeway in the dollar exchange gain to take care of this particular problem.

[The letter referred to follows:]

SOCIETY OF INTERNATIONAL BROADCASTERS,
New York, N.Y., February 28, 1983.

Hon. CHARLES H. PERCY,
U.S. Senator, Chairman, Senate Committee on Foreign Relations,
Washington, D.C.

DEAR SENATOR PERCY: On behalf of the Society of International Broadcasters (SIB), I brought to your attention the tragic impact that low pension benefits of the early Radio Free Europe and Radio Liberty had on the living conditions of their families. In the same letter of July 9, 1981 I kindly did ask for authorization on the part of the Senate Foreign Relations Committee that would have made it possible for the Radios to use a portion of the dollar exchange gain in Europe during FY 1982 for upgrading the pensions of these retirees and granting benefits to widows.

In your reply of July 29, 1981 you noted that the Committee was unable to act because the authorization process for FY 1982 was completed. In the same letter you indicated that you were going to raise the issue during the next year authorizing process. However, no such process took place for FY 1983.

This year we face a similar situation like the one of 1981. SIB has no other alternative then to rely on the exchange gain of the dollar, for the Office of Management and Budget once again turned down RFE/RL appropriation request that would have benefited the early retirees and widows, if approved.

The pension problem for the early retirees goes back to the retirement plan of 1968. It provides for an automatic reduction of pension benefits by 50 percent of the amount of the Social Security paycheck and calculating the average salary of the last 5 years of service. The second retirement plan of 1976 eliminates the Social Security offset, and reduces the average compensation to the last 3 years of service. More importantly, the pensions of the pre-1976 retirees were calculated on quite low salaries staffers were receiving at that time, while the post-1976 retirees had their pensions calculated on considerably higher salaries which were raised in 1975. Consequently, the pensions of the post-1976 retirees were comensurate to the present cost of living. The pre-1976 retirees had to struggle with their low pensions. Many of them and their families live in deprivation and stress, and a large number of them have been placed at the brink of poverty. The tragedy of these people is immense, for they are proud people of their heritage and professional achievement in their native countries which are presently ruled by Soviet controlled regimes.

It should also be noted that the pre-1976 retirees are not ordinary pensioners, for they were recruited on a selective basis for the purpose to have their share in the process of organizing and stabilizing a broadcasting operation which they made quite successful. They loyally served the U.S. Government, and the majority of them became proud American citizens. Presently, a large number of them are in their seventies and eighties. Against this background, their pension problem has become a moral issue.

The Board for International Broadcasting and the management of Radio Free Europe/Radio Liberty recognize the need for improvement of the pensions of the pre-1976 retirees and providing pensions to widows whose husbands died while in service. In order to resolve the pension issue RFE/RL has worked on a package totaling $4.880 million. The next step is to find ways for funding of this project.

In view of OMB's opposition to any appropriation request that would go beyond the limit of RFE/RL operating budget, the anticipated dollar exchange gain offers an opportunity to realize our goals. In this connection, it is worth mentioning that RFE/RL used some of the money realized with the gain of the dollar in 1981 to pay the repair work of the main building in Munich, West Germany, which was damaged by a bomb explosion. As for the size of the gain during 1983, it has been estimated to be more than $4 million and perhaps more.

Coming back to your letter of July 29, 1981. I would like to stress that it was gratifying to learn that you were sympathetic to our objectives and intended to raise the pension issue during the next hearing process. I understand that your hearing with BIB will take place on March 2.

We all shall be thankful to you and the members of the Senate Foreign Relations Committee if you would authorize RFE/RL to use the money that would be realized from the gain of the dollar exchange rates for funding an upgrading of the pensions of the pre-1976 retirees and widows, and raising COLA percentage accordingly. Of course, an upgrading of our retirement benefits will not reach the level of the benefits received by the post-1976 retirees. In fact, we feel that all retired RFE/RL employees should receive the same pension benefits for the same services they performed while employed.

I am enclosing a copy of your letter of July 29, 1981.

Respectfully yours,

VLAD PASCALEFF,
Washington Representative.

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C., July 29, 1981.

Mr. VLAD PASCALEFF,
Society of International Broadcasters,
Arlington, Va.

DEAR MR. PASCALEFF: Thank you for your recent letter requesting assistance to eliminate an inequity in the RFE/RL pension plans.

I am sympathetic to your objectives. However, the Committee on Foreign Relations and the Senate as a whole have already acted on the fiscal year 1982 authorization requests of the Radios. I suggest that you direct your efforts toward the Administration to include your proposal in the fiscal year 1983 supplemental requests.

The continuing gains realized by the Radios because of the exchange rates should provide the Administration with an opportunity to realize your goals. Let me assure you that I shall raise this issue during next year's authorization process.

Sincerely,

CHARLES H. PERCY, *Chairman.*

PENSION BENEFITS OF EARLY RETIREES

[SUBMITTED BY BIB]

The BIB is aware of this situation.

With regard to the disposition of gains resulting from upward fluctuations in foreign currency exchange rates, section 8(b) of Public Law 93-129, Board for International Broadcasting Act of 1973, as amended, states:

"The Director of the Office of Management and Budget shall place in reserve and inform the Congress of any amount appropriated under this section which, because of upward fluctuations in foreign currency exchange rates, is in excess of the amount necessary to maintain the budgeted level of operation of RFE/RL, Incorporated."

Senator PELL. And the record will be kept open?

The CHAIRMAN. The record will be kept open. I will have additional questions.

Mr. SHAKESPEARE. I would like to just put one sentence on the record. The situation of those pensions is tragic, and something should be done about it.

The CHAIRMAN. I appreciate that.

Senator DODD. That ought to cover you.

The CHAIRMAN. Senator Dodd, if you would chair it now and complete the hearing.

Senator DODD. This is a dangerous thing you are doing, Mr. Chairman.

The CHAIRMAN. I rest in confidence. The room has to be cleared in order for us to have another hearing at 2 o'clock.

Senator DODD. I will be very brief.

The CHAIRMAN. You have total charge of the 55 minutes.

Senator DODD [presiding]. Just a couple of questions. First of all, it is a pleasure to welcome the three of you here, and we apologize for the delay.

I was intrigued by the question of programing and particularly delighted to hear about the efforts to attract younger people. I do not know how legitimate this criticism is, but I have heard it from a number of sources. It is about the way we judge how well received the programing is. Obviously, Nielsen ratings are not something that we can accomplish behind the Iron Curtain.

But what sort of efforts are made either with emigres or with people who travel there to try to determine the reception of those programs. Obviously, news and information are key factors. But obviously, the ability to retain an audience is also enhanced by what you do in the nonnews sectors.

I will just repeat to you what I have heard; and there may be no substance to this whatsoever, that some of the entertainment programing is just not particularly attractive to the audience, or at least to the audience in some of these countries, whether it is music or other things that are out of step. I am curious as to what sort of efforts we make to determine what would retain and attract an audience beyond the informational aspects.

Senator BUCKLEY. It is an ongoing effort which utilizes, I think, some reasonably sophisticated techniques that have evolved over the years. Let me just describe briefly what that technique is.

Speaking now of Radio Free Europe, the five nations to which we broadcast in six languages. About 2 million tourists a year move from those countries to Western Europe, and unlike people from the Soviet Union they are much more approachable, much more willing to sit down with somebody with a questionnaire.

We work with people like Gallup and other professionals. A broad series of questions is asked, and in the process we focus not only in terms of how many people are listening and with what frequency, but also, what the background of these people is in order to make sure what kind of demographic cut we have, and also on the programing itself. News is what people are most interested in. But do people like the music, this, that, and the other? We go into that. This is supplemented by very long sessions with recent emigres from these countries, who will listen to many hours of continuous broadcasting and give us their assessment in terms of interest and the rest of it.

In terms of music, given the fact that there is intense jamming in all of our countries except for two, many people question whether there is any utility. Where people can hear, certain types of music will bring younger people in.

As with an American audience, you are going to get very different tastes involved and different reactions to the same program. But, we are constantly assessing what is liked, what is not liked, how we can become more effective and try to make adjustments in our programing.

I will say this. We have basically 21 different broadcasting stations, and there is a different degree of quality and professionalism in these

different areas. But this management intends to bring together the best information we can, people who have the best understanding of radiophonics, because we want to hold audiences and hold audiences who have to make a special effort to hear. So you are talking about people who have had to bring a certain amount of commitment.

In the meeting that we had in Munich a few days ago, referred to by Ben Wattenberg, one of the questions that came up was, Can we ever afford to have other than pure gold on the air? In other words, can we afford compromise on quality because somebody who goes out to the country in order to be able to listen in hears all this electronic garbage and has his ears focused? If he hears something that turns him off, we have lost a listener.

The fact is, we have over 50 percent of the adults of Eastern Europe listening at least once a week.

Mr. WATTENBERG. Let me make a remark about our research activity, the so-called Nielsen reports. In another incarnation, I was coeditor of a magazine called Public Opinion, which takes as its charge to use the survey research and report on it. When I became exposed to the research operations at both Radio Free Europe and Radio Liberty, I was sufficiently impressed and have asked the two heads of each of those research divisions, Henry Hart and Gene Parta, to do some articles for our magazine. We can send you some of the material, but they do absolutely fascinating research, not just about the radios and listenership, but about life within Eastern European countries and the Soviet Union. It is a very, very top-grade operation.

Senator DODD. Let me ask you—and this may be a tough question, maybe not such a tough question—about the news broadcasts which obviously should be the major thrust of the programing. Would it be possible for all three of you or any one of you to give me some idea of the percentage of news broadcasts, on the average, that focuses on international news, that is, reporting what has happened at the United Nations or Europe, the United States as opposed to reporting on what is going on within these closed societies and informing them as to what grain production was, or what happened to a dissident, or a person who may be incarcerated in Siberia. Is there data for that at all?

Mr. SHAKESPEARE. Senator, there is a goal, and the goal is that about 75 percent of our news should be indigenous, and 25 percent of it should be external.

Senator PELL. That is generally the rule of thumb?

Mr. SHAKESPEARE. Yes, sir. It varies on a day-to-day basis, but we, as you know, under our charter, are supposed to be a surrogate local station dealing essentially with local news. Whereby the Voice of America, BBC, Deutsche Welle or Kol Israel generally tend to broadcast news of the outside world. We do that but only on a highlighted basis.

Our charter essentially is to tell the people of Poland about what is going on in Poland as a first objective. The second objective is in the immediate area—what would be going on in East Germany and Czechoslovakia and Hungary and the Ukraine that would interest them. Third, the broader interest, the Soviet Union and its policies. And only last, what is happening in Washington or London and that sort of thing, unless it is directly relevant to them. So we try to have our

news programs essentially dominated by local, regional, or area considerations.

Senator DODD. I guess my next question is sort of a futuristic one. Obviously, the name Radio Free Europe and Radio Liberty imply the use of a radio. We are entering an age now where there are dish antennas and TV satellites, just as the radio was an innovative means of communication only a few short decades ago. Is there any thought being given to developing a television communication that would fold in neatly with Radio Free Europe?

Mr. SHAKESPEARE. Not by us as a Board. The National Security Council is considering that.

Senator DODD. Have you discussed that at all? Have you kicked around that idea?

Mr. SHAKESPEARE. Yes, Senator. The most important observation is that the Soviet Union and Eastern Europe and China, the closed Communist societies, would, in my opinion, seek every legal and illegal means to make television impossible. If international radio is a source of grave concern to them, and it is, because it reaches the minds of their people without their control, which is abhorrent to them, television is a medium with vastly greater impact than radio.

Senator DODD. That is why I asked.

Mr. SHAKESPEARE. That is why you asked. And in my opinion, while we in the West will seek ways to use the medium of television to reach those people, they will bend every effort to stop it. And given the relative difficulties of getting a television signal in there, I believe they will effectively stop it. They will use the United Nations, they will use the International Telecommunications Union, they will use international fora, they will use jamming.

The Soviet Union, about 6 or 7 years ago, when direct broadcast satellite was under discussion at the United Nations, made a remarkable statement. It said that it would use every means possible to stop a direct broadcast satellite. Every means possible means they would shoot it down. So I think that they will be so tough on television reaching their people that the matter may be long delayed before the West reaches those people with television.

Mr. WATTENBERG. I think that the experience, as I have heard it described anecdotally, is that even when in Soviet society when they have run some American movies that have ostensibly been critical of the United States, the audience was watching what is behind the character, seeing the nature of life, the kitchen appliances, the supermarkets, whatever. And as I have understood, as I say at least anecdotally, even the things that have been critical of the United States, our own movies that have been shown have tended to undermine the Soviet's view of what they want their citizens to think about the United States. And I would think, as Frank said, that they would be extremely wary. If you ever let "Dallas" into Moscow, I think it would be all over.

Senator DODD. Good heavens, that would conquer them overnight. They would leave in droves.

Mr. SHAKESPEARE. Evans and Novak, last year, reported that when Secretary of State Haig met with Foreign Minister Gromyko at the United Nations, Haig had the standard agenda of things that were going to be discussed, and the first thing that Gromyko said was that something has to be done about those damn radios.

Bill Safire in the New York Times reported that when Secretary Shultz and Vice President Bush met with Andropov on the occasion of Brezhnev's funeral, that they were startled when Andropov said that there was one thing that disturbed him and he was not going to put up with it, and that was the increased activism of the Voice of America.

If Mr. Evans and Mr. Novak and Mr. Safire are correct in their reports, that means that Andropov and Gromyko raised at the very highest level their concerns with Western radio. And they would not do that at that level unless they were very, very conscious of the impact of this on their people. That simply goes to the question of what the Politboro would consider a serious matter. And if you think about television, it is just obvious that they would consider that enormously serious.

It seems to me that there is a policy implication from this, though, and that is that Western radio, in which I include much more than VOA and RFE/RL such as Deutsche Welle and Kol Israel and Radio Vatican and all, is maybe the single greatest weapon in foreign policy that the West has in dealing with the Communist countries. And for a relatively small amount of dollars, we can move these radios from being second or third rate, which is the way we have kept them because they have been on such a stringent budget, into first rate in terms of people, programing resources, transmitter power.

The BBC, for example, is broadcasting to the Soviet Union in only two languages; Russian and English. That means that they speak to the Lithuanians in Russian. They speak to the Ukrainians in Russian. They speak to the Georgians in Russian, and that is part of the process of russification. The BBC has enormous, worldwide credibility. Suppose they went in there in eight or nine languages, like the Voice does? So I think that there are very clear policy implications in what you have just inquired about.

Senator DODD. I appreciate your response to the question. Now, about Radio Marti—it did not even come up before the full Senate last year, but I would suspect that it will this year, and it is likely, obviously, to be put under the oversight of the Board.

Mr. SHAKESPEARE. Yes.

Senator DODD. I wonder if you might comment again, either you, Mr. Shakespeare, or all three, on this additional activity and responsibility. Do you welcome it? Do you have reservations about BIB taking this mission on? And if so, what are those reservations?

Mr. SHAKESPEARE. No. 1, if it comes on, how would we do it, or what would our reaction be? It is our opinion at the Board that broadcasting into the Soviet Union and Eastern Europe is a very separate matter from broadcasting to a culturally Spanish island in the Caribbean, and it does not follow that the research or knowledge or people that we have builtup in broadcasting to Eastern Europe or the Soviet Union would themselves be relevant to broadcasting to Cuba.

Therefore, if we are asked by the Government to put together broadcasting to Cuba, we will make a totally separate organization. In other words, President Buckley, who runs RFE/RL and his team in Munich will have nothing whatever to do with Radio Marti, and vice versa.

There will be two separate organizations which will come together at the Board level as if you had two divisions of the same company.

Second, are we reasonably structured to do that? I think so. I think that the nine members of the Board could probably undertake that responsibility. We have given a policy direction to our staff and a request to our fellow Board members to stand silent on the subject of Radio Marti, because it is our feeling that that needs to be decided by this House, as to whether it is in the national interest of the United States. And if you want to do it, where you want to structure it and how you want to fund it. And if you do do all of those things, under whose authority you want to put it.

If you do do that and put it under our authority, that is the way that we would run it. Now, I know Mr. Wattenberg has a strong feeling about a certain aspect of Radio Marti if it falls under us, so I would like to ask the privilege of having him make a brief comment on that.

Mr. WATTENBERG. Senator, let me say one thing. Within the strictures that Frank has stipulated, a Board member standing silent on the substance of Radio Marti, I do not have an official position on Radio Marti. The only thing I would like to say, because I have heard—this is from a cursory reading of the newspaper—there has been a lot of talk that this would be some kind of a zany, right-wing sort of operation.

I do not know what has transpired up until this point. The only assurance that I would like to tender to you and to this committee is this: Frank Shakespeare is quite right, that we do not now have the personnel to deal with this issue. In other words, people who are from Czechoslovakia or Hungary and the Soviet Union would obviously not be appropriate to be dealing with Cuba.

On the other hand, over a number of decades now, Radio Free Europe and Radio Liberty have been through some very difficult discussions that have led to some very careful and cautious editorial guidelines as to how to operate in that generic sort of a circumstance, in a way that is of the highest, most professional journalistic standards.

And I believe as I have watched these stations operate, that, genuinely speaking, they have evolved a pattern of broadcasting that is extremely professional, that is not ideological, that is low key, that is not provocative.

And if the executive branch and the Congress in their wisdom should see to it that Radio Marti came under our aegis—I am the chairman of the BIB program committee, and I assume would have something to do with the shaping of that—I would only like to assure you, Senator, that those standards which have been built up over decades would be adhered to rigorously, that we are in the news business.

We take this charge very, very seriously. It would not be politicized. It would not be made ideological, at least if I had anything to do with it.

Senator DODD. Jim, did you want to comment on that?

Senator BUCKLEY. It is off my beat. I would like at some point to make a few other comments.

Senator DODD. Certainly. Please do.

Senator BUCKLEY. In a sense, I am a bystander here, as this is a BIB hearing. But I am the person who is charged with the responsi-

bility for trying to accomplish the objectives of the stations in terms of the best quality broadcasts and also for their physical maintenance and so on.

I would like to try to convey my sense of urgency about the supplemental funding. The thing that astonished me when I arrived in Munich was on the one hand the collection of expertise and genuinely fine individuals and on the other hand the physical and financial conditions, the constraints under which they are required to operate.

If I may turn to the physical first, I visited two of our transmitter sites in northern Germany, and a windstorm 2 weeks earlier had literally blown out pieces of the rigging for the transmitters, which are our access to Poland and Czechoslovakia. We have 400-foot-high transmitters in the flight path of a small American Army airfield that are supposed to be orange and brilliant white. And you can see from these pictures what has happened to the paint. It will cost $300,000 to put that paint on, and this is a safety matter.

And the supplemental request is what is required to make sure that this does not become like the West Side Highway in New York which totally collapsed. And you know, the penny-ante stuff that is foolish if we do not come up with it.

In terms of the excellent ideas that we heard on this series on programing and how do we improve our message, how do we create the interest and the effectiveness of our programing, unfortunately, it requires a certain amount of travel money.

An example that Ben Wattenberg trots out is the fact that we have in England a bureau of three newspeople, two secretaries and so forth, who are there where so much of the action intellectually takes place that affects the security of the West, the Kremlinologists, the artists, the writers from emigre circles and so on. In order to cover all of this activity, there is a travel allowance of $700 a year.

The fact is that we cannot do the job. And so very small sums of money can be put to immediate use in improving the caliber of the programing and the outreach, the ability to hold those listeners and give them the kind of quality that they need to hold their interest and reward the effort that they make.

So if the Senate proposes to act favorably on this supplemental request, and I obviously hope that the Senate will, I urge that it be done now, not 2 weeks before the next fiscal year.

Senator DODD. I hear that. You almost sound like a mayor from Connecticut. And I think you are absolutely correct. I wish more of our colleagues were here, but I will make certain, in fact, if you would like to leave some of those photographs, and label that piece of cabling, the staff will see that members are familiar with it, certainly by our next business meeting.

And I agree with you. I think it is wonderful to talk about all the great things you would like to do, but if the tower does not stand up, it is a little ridiculous to engage in that discussion.

So in a sense, you are preaching to the choir on this. I happen to feel that you do an excellent job.

I am delighted to hear as well, Ben, your appraisal of the work that is being done. And on behalf of the committee, I thank you.

I do not know, Jim, what the schedule is on this, but I will certainly convey your sense of urgency and the urgency of your colleagues here on the subject of the supplemental. I do not know, have you had any indication at all from OMB as to whether or not they approve of the request that you have made?

Senator BUCKLEY. Oh, absolutely, yes. And the President, as a matter of fact, wrote a number of the key chairmen of committees during the lameduck session last year urging precisely this request so that——

Senator DODD. The committee is going to markup on March 15.

Senator BUCKLEY. Might I make one more observation? I understand that what will be marked up will be a 2-year authorization. Is that correct? Is that the intention?

Senator DODD. I will ask staff, is that correct?

Yes.

Senator BUCKLEY. If so, I would hope that you would allow enough room for something other than a straight-line projection into 1985. For example, I am advised that in order to put into effect a first-class maintenance system so that this sort of thing will never again happen, given the new equipment we are putting in and so forth, we may require an addition of about $900,000 a year.

No. 2, the rate of inflation in Portugal and Spain as it affects power is about 30 percent. Therefore, 6 percent or whatever adjustment figure might be used based on American inflation simply could fall so much as $500,000 to $700,000 short.

We have that pension problem that was mentioned that we want to be able to address out of fairness to people who retired before 1976 under quite a different system. So I would hope that, considering our needs in 1985, you would not lock the Appropriations Committee in too tightly.

The other thing that I would point out is that the projections made here are done on the basis of an exchange rate of a dollar that equals 2.5 deutsche marks. That is short of the current mark. That was put together at the all-time high, the recent high.

So that again I would hope that in doing your authorization language, especially given the outreach for 2 years, you would allow the flexibility for the Appropriations Committee to deal with realistic exchange rates as they exist as they approach the fiscal year 1985, so that the job can be done in terms of the currencies we have to use. And we are 85 percent dependent on foreign currencies.

Senator DODD. I would think some language could certainly be drafted which would meet that concern so that we would be taking basically about the same thing. There would be no additional acquisitions or requirements, but we have to do what we intended to do and be able to account for fluctuations in those.

Senator BUCKLEY. But there will be physical capital requirements in 1985 that are not obviously reflected in our request for 1984.

Senator DODD. You are talking about the maintenance cycle?

Senator BUCKLEY. Maintenance is part of it. Another item will be the completion of the buliding, building of studios. And obviously, there are expenditures that are required in outyears to complete that job.

Senator DODD. But you want to start it in 1985?

Senator BUCKLEY. Yes; so do not box us in too tightly.

Senator DODD. Does Dave Stockman go along with the 1985 building? Why do you not make that request if that is something you want to do in 1985? We are going to do a 2-year authorization, so why not include it?

Senator BUCKLEY. Well, my understanding is that all of these figures were done and put together on the basis of 1984.

Senator DODD. But we are going to do a 2-year authorization, and you have plans to do things in 1985 that you would not do in 1984. I think you will find the committee willing to be accommodating. But I think it would be helpful if we had some idea what they were, so that we could give flexibility to the Appropriation Committee so that they would not be constrained by whatever we did in here.

Senator BUCKLEY. I am in the awkward position of being in charge of a private Delaware corporation that is outside the loop a little bit, but I just wanted to express management's concerns here.

Senator DODD. We will see what we can do in the language so that we cover the situation.

Thank you all again very much.

The committee will stand adjourned.

[Additional questions and answers follow:]

BIB's RESPONSES TO ADDITIONAL QUESTIONS SUBMITTED FOR THE RECORD

Question 1. Could you provide the Committee with a full listing of contributors and contributions during calendar year 1982 as has been done in the past?

Radio Free Europe/Radio Liberty Fund, Inc., fiscal year 1982 contributions

	Current donations
American Legion Auxiliary, Department of New Hampshire, State House Annex, Concord, N.H. 03301:	
Aug. 3, 1982	$34.00
Aug. 20, 1982	5.50
Aug. 20, 1982	—5.50
Mar. 8, 1982	5,000.00
Mar. 8, 1982	—5,000.00
Total	34.00
American Legion Auxiliary, Department of Alabama, 120 N. Jackson St., Montgomery, Ala. 36104:	
Dec. 13, 1981	20.00
Dec. 31, 1981	20.00
Dec. 31, 1981	—20.00
Feb. 2, 1982	15.00
Apr. 27, 1982	75.00
June 23, 1982	47.00
Total	157.00
American Legion Auxiliary, Department of Alaska, P.O. Box 3172, Ketchikan, Alaska 99901: June 23, 1982	5.00
American Legion Auxiliary Department of Arkansas, 1415 W. 7th, Little Rock, Ark. 72201: June 23, 1982	45.00

	Current donations
American Legion Auxiliary, Department of California, 118 War Memorial Building, San Francisco, Calif. 94102:	
Oct. 19, 1981	$31.00
Nov. 18, 1981	55.00
Nov. 30, 1981	35.00
Dec. 31, 1981	82.50
Jan. 25, 1982	30.00
Feb. 2, 1982	41.50
Mar. 16, 1982	70.00
Mar. 26, 1982	13.00
Mar. 26, 1982	13.00
Apr. 27, 1982	55.00
Apr. 27, 1982	90.00
Apr. 27, 1982	10.00
Apr. 27, 1982	3.00
May 13, 1982	25.00
May 20, 1982	21.05
June 8, 1982	20.00
Total	595.05
American Legion Auxiliary, 3003 Tejon St., Denver, Colo. 80211:	
Dec. 3, 1981	10.00
American Legion Auxiliary, Department of Connecticut, State Office Building Annex, Hartford, Conn. 06115: Aug. 8, 1982	65.50
American Legion Auxiliary, Department of Florida, P.O. Box 7917, Orlando, Fla. 32804:	
Oct. 19, 1981	170.00
Nov. 9, 1981	98.25
Nov. 9, 1981	—98.25
Dec. 7, 1981	80.50
Dec. 13, 1981	106.00
Jan. 11, 1982	38.00
Feb. 10, 1982	54.00
Mar. 16, 1982	13.00
Mar. 16, 1982	—13.00
Apr. 14, 1982	35.25
May 20, 1982	12.00
July 14, 1982	7.50
July 14, 1982	1.00
Aug. 3, 1982	13.00
Total	606.50
American Legion Auxiliary, Department of Georgia, 1900 Emery St., NW., Suite 100–B, Atlanta, Ga. 30318: June 23, 1982	122.00
Norman Friedhand, 22 Woodland Dr., Long Valley 07853: Feb. 26, 1982	10.00
American Legion Auxiliary, Department of Hawaii, 612 McCully St., Honolulu, Hawaii 96826:	
Oct. 28, 1981	20.00
Apr. 27, 1982	5.00
Sept. 23, 1982	1.00
Total	26.00
American Legion Auxiliary, Department of Idaho, P.O. Box 236, Melba, Idaho 83641: Aug. 3, 1982	5.00

	Current donations
American Legion Auxiliary, Department of Illinois, 2720 E. Lincoln St., Bloomington, Ill. 61701:	
Nov. 9, 1981	$5.00
Dec. 31, 1981	70.50
Jan. 11, 1982	10.00
Jan. 11, 1982	226.00
Mar. 8, 1982	63.00
Apr. 14, 1982	82.00
May 6, 1982	117.50
June 23, 1982	23.50
July 15, 1982	2.00
Total	599.50
American Legion Auxiliary, Department of Indiana, 777 North Meridan St., Indianapolis, Ind. 46204:	
Jan. 11, 1982	39.00
Feb. 2, 1982	189.00
Feb. 2, 1982	5.00
Mar. 26, 1982	77.00
Apr. 14, 1982	76.00
Apr. 14, 1982	82.00
Apr. 14, 1982	—82.00
May 13, 1982	122.00
May 20, 1982	25.00
June 8, 1982	49.00
July 14, 1982	6.00
Total	716.00
American Legion Auxiliary, Department of Iowa: 720 Lyon St., Des Moines, Iowa 50316: Aug. 3, 1982	22.00
American War DAS Auxiliary, National Headquarters, 117 W. 6th Ave., Topeka. Kans. 66603:	
Jan. 11, 1982	26.00
Apr. 14, 1982	5.00
Apr. 27, 1982	15.00
Apr. 27, 1982	—5.00
Total	41.00
American Legion Auxiliary, Department of Kentucky, 506 Lexington Building, Lexington, Ky. 40507: June 8, 1982	70.00
American Legion Auxiliary, Department of Louisiana, P.O. Box 1046, Baton Rouge, La. 70821:	
Oct. 29, 1981	20.00
Nov. 30, 1981	5.00
June 8, 1982	10.00
Total	35.00
American Legion Auxiliary, Department of Maine, 26 Pleasant St., Waterville, Maine 04901:	
Apr. 27, 1982	24.50
May 20, 1982	5.00
June 23, 1982	29.00
Total	58.50

	Current donations
American Legion Auxiliary, Department of Maryland, Inc., 5205 East Dr., Baltimore, Md. 21227: July 14, 1982	$430.64
American Legion Auxiliary, Department of Massachusetts:	
Feb. 2, 1982	5.00
Apr. 27, 1982	5.00
Apr. 27, 1982	10.00
June 20, 1982	6.00
Total	26.00
American Legion Auxiliary, Department of Michigan, 212 N. Verlinden St., Lansing, Mich. 48915:	
Oct. 19, 1981	238.00
Nov. 9, 1981	288.01
Dec. 7, 1981	65.00
Dec. 31, 1981	8.00
Dec. 31, 1981	—8.00
Jan. 11, 1982	8.00
Feb. 2, 1982	80.00
Mar. 26, 1982	220.00
Apr. 14, 1982	135.00
May 20, 1982	90.00
June 8, 1982	52.75
Total	1,176.76
American Legion Auxiliary, Department of Minnesota, State Veterans Service Bldg., St. Paul, Minn. 55155:	
Oct. 27, 1981	25.00
Oct. 27, 1981	—25.00
Oct. 28, 1981	45.00
Dec. 2, 1981	60.00
Jan. 11, 1982	80.00
Feb. 9, 1982	63.00
Mar. 2, 1982	28.00
Mar. 26, 1982	65.00
Apr. 19, 1982	35.00
Apr. 27, 1982	25.00
May 20, 1982	25.00
June 23, 1982	28.00
Jan. 14, 1982	10.00
Sept. 8, 1982	25.00
Total	489.00
American Legion Auxiliary, Department of Mississippi, P.O. Box 1382, Jackson, Miss. 39205:	
Mar. 16, 1982	10.00
Apr. 27, 1982	5.00
Total	15.00
American Legion Auxiliary, Department of Missouri, 210 W. Dunkliu, P.O. Box 1072, Jefferson City, Mo. 65101:	
Mar. 16, 1982	118.25
Aug. 16, 1982	168.75
Total	287.00
American Legion Auxiliary, Department of Montana, Hobson, Mont. 59452:	
Aug. 3, 1982	21.00

	Current donations
American Legion Auxiliary, Department of Nebraska, P.O. Box 5227, Lincoln, Nebr. 68505:	
Nov. 9, 1981	$10.50
Feb. 9, 1982	44.50
May 20, 1982	200.50
Aug. 16, 1982	37.00
Aug. 16, 1982	—37.00
Aug. 16, 1982	5.00
Aug. 16, 1982	37.00
Total	297.50
American Legion Auxiliary, Department of Nevada, 511 Country Village Dr., No. 21, Carson City, Nev. 89701:	
Feb. 9, 1982	15.00
June 8, 1982	20.00
Total	35.00
American Legion Auxiliary, Department of Nevada, 511 Country Village Dr., No. 21, Carson City, Nev. 89701:	
Aug. 3, 1982	34.00
Aug. 3, 1982	—34.00
Total	----------
American Legion Auxiliary, Department of New York, 346 Broadway, New York, N.Y. 10013: Sept. 2, 1982	620.98
American Legion Auxiliary, Department of North Dakota, Minot, North Dakota 58701:	
May 13, 1982	63.00
May 13, 1982	—63.00
May 20, 1982	63.00
Total	63.00
American Legion Auxiliary, Department of Ohio, P.O. Box 2279, Zanesville, Ohio 43701:	
Oct. 19, 1981	5.00
Oct. 28, 1981	10.00
Nov. 30, 1981	45.00
Dec. 3, 1981	185.00
Dec. 3, 1981	—185.00
Dec. 3, 1981	5.00
Dec. 7, 1981	10.00
Dec. 13, 1981	2.00
Dec. 31, 1981	45.00
Dec. 31, 1981	—45.00
Dec. 31, 1981	45.00
Jan. 11, 1982	5.00
Jan. 22, 1982	7.00
Feb. 2, 1982	13.00
Feb. 26, 1982	25.00
Mar. 16, 1982	10.00
Mar. 16, 1982	20.00
Mar. 26, 1982	50.00
Apr. 19, 1982	13.00
Apr. 27, 1982	20.00
Apr. 27, 1982	83.00
May 20, 1982	50.00
June 22, 1982	33.75
Total	451.75

	Current donations
American Legion Auxiliary, Department of Oregon, 421 SW 5th Ave., Portland, Oreg. 97204: May 20, 1982	$45.00
American Legion Auxiliary, Department of Pennsylvania, P.O. Box 2643, Harrisburg, Pa. 17105: Apr. 27, 1982	80.00
American Legion Auxiliary, Department of South Carolina, 132 Pickens St., Columbia, S.C. 29205:	
Jan. 11, 1982	47.89
Apr. 27, 1982	27.35
May 20, 1982	8.33
Total	83.57
American Legion Auxiliary, Department of South Dakota, Bruce, S. Dak. 57220:	
May 13, 1982	27.00
May 20, 1982	27.00
May 20, 1982	−27.00
Total	27.00
American Legion Auxiliary, Department of Tennessee, Department Headquarters, 1982 Broad St., Nashville, Tenn. 37203:	
Mar, 8, 1982	5.00
Apr. 19, 1982	25.00
May 13, 1982	20.00
May 20, 1982	20.00
May 20, 1982	−20.00
June 23, 1982	17.00
Aug. 16, 1982	10.00
Sept. 8, 1982	10.00
Total	87.00
American Legion Auxiliary, Department of Texas, 709 E. 10th St., Austin, Tex. 78701:	
Oct. 28, 1981	25.00
Apr. 27, 1982	25.00
Apr. 27, 1982	25.00
Apr. 27, 1982	−25.00
Apr. 27, 1982	50.00
May 20, 1982	70.00
Aug. 3, 1982	15.00
Total	185.00
American Legion Auxiliary, Department of Vermont, P.O. Box 396, Montpelier, Vt. 05602:	
Feb. 2, 1982	17.00
June 23, 1982	32.00
Total	49.00
American Legion Auxiliary, Department of Virginia, 10322 Edgebrook Ct., Bedford, Va. 24523:	
Jan. 11, 1982	5.00
Mar. 26, 1982	15.00
Mar. 26, 1982	10.00
May 20, 1982	5.00
May 20, 1982	15.00
Apr. 19, 1982	15.00
Total	65.00

	Current donations
American Legion Auxiliary, Department of Washington, 414 Olive Way, Seattle Wash. 98101:	
Aug. 3, 1982	$159.30
American Legion Auxiliary, Department of West Virginia, 719½ Main St., P.O. Box 194, Sistersville, W. Va. 26175:	
Nov. 18, 1981	5.00
Apr. 27, 1982	10.00
May 20, 1982	5.00
Total	20.00
American Legion Auxiliary, Department of Wisconsin, 812 E. State St., Milwaukee, Wis. 53202:	
Nov. 19, 1981	62.00
Nov. 28, 1981	52.00
Nov. 28, 1981	10.00
Nov. 9, 1981	71.00
Nov. 18, 1981	109.50
Dec. 7, 1981	50.00
Dec. 31, 1981	109.50
Dec. 31, 1981	—109.50
Jan. 11, 1982	35.00
Feb. 18, 1982	38.00
June 23, 1982	33.00
Sept. 27, 1982	70.00
Sept. 27, 1982	5.00
Total	535.50
American Legion Auxiliary, Department of Wyoming, 2518 East Dr., Torrington, Wyo. 82240: May 20, 1982	15.00
Mr. Wendell A. Cook, 6328 Rockwell Rd., Burke, Va. 22015: Dec. 31, 1981	10.00
Grace Lutheran Church Women, Arlene M. Nelson, Treasurer, 508 10th Ave., Waseca, Minn. 56093: Dec. 13, 1981	75.00
Central Steel & Wire Co., 3000 W. 51st St., P.O. Box 2310A, Chicago, Ill. 60680:	
Dec. 15, 1981	200.00
Dec. 15, 1981	—200.00
Jan. 1, 1982	200.00
Total	200.00
Marie Ciaccio, 3918 Fillmore Ave., Brooklyn, N.Y. 11234:	
Dec. 31, 1981	20.00
Dec. 31, 1981	—20.00
Jan. 11, 1982	20.00
Total	20.00
Thalhimer Bros. Foundation, 615 E. Broad St., Richmond, Va. 23219:	
Nov. 25, 1981	250.00

	Current donations
American Czechoslovak Ladies Club, Bessie Stephanek, Treasurer, 1271 NE. 160th St., North Miami Beach, Fla. 33162: Dec. 7, 1981	$25.00
Prof. Mary Vashti Funk, 45 N. 4th St., Zanesville, Ohio 43701: Dec. 18, 1981	100.00
Mr. Ludwig J. Lenz, RR 3 Box 659, Muscatine, Iowa 52761:	
Dec. 31, 1981	10.00
Dec. 31, 1981	−10.00
Jan. 11, 1982	10.00
Total	10.00
Bertke Electric Co., Inc., 1645 Blue Rock St., Cincinnati, Ohio 45223:	
Jan. 11, 1982	50.00
Goodall Rubber Co., Frederick B. Williamson 3d., P.O. Box 8237, Trenton, N.J. 08650:	
Dec. 6, 1981	100.00
Jan. 22, 1982	100.00
Total	200.00
Mr. Stephen Poller, 1215 Palisade Ave., Union City, N.J. 07087:	
Nov. 9, 1981	25.00
F. M. Kirby Foundation, Inc., F. M. Kirby, President, 17 Dehart St., Morristown, N.J. 07960: Dec. 31, 1981	7,500.00
Stephen Community Fund, Stephen, Minn. 56757: Feb. 18, 1982	60.00
Junior Woman's Club of Jacksonville, 2939 Iroquois Ave., Jacksonville, Fla. 32210: Feb. 2, 1982	5.00
Gordon Guno, 14 Nassau St., Princeton, N.J. 08540: May 20, 1982	100.00
Mr. William J. Robinson, 960 Foothills Dr., Tucson, Ariz. 85718: Jan. 19, 1982	25.00
Ashland Foundation, Carl J. Reidler, 816 Center St., Ashland, Pa. 17921: Apr. 27, 1982	100.00
North Carolina Federation of Women's Clubs, 35509 Haworth Dr., Raleigh, N.C. 27609: Mar. 26, 1982	5.00
Melvin W. Karesh, 1906 W. Friendly Ave., Greensboro, N.C. 27403:	
Nov. 9, 1981	4.00
Dec. 2, 1981	4.00
Feb. 9, 1982	4.00
Apr. 27, 1982	4.00
July 14, 1982	4.00
Total	20.00
Square D Foundation, Executive Plaza, Park Ridge, D.C. 60068: Oct. 29, 1981	1,000.00
Ingersoll Rand Co., Woodcliff Lake 07675: Nov. 13, 1981	500.00

	Current donations
J. J. Haines Co., 4800 E. Monument St., Baltimore, Md. 21205: Dec. 31, 1981	$50.00
Mr. Emanuel M. Weil, 3 Marion Ave., Albany, N.Y. 12203: Dec. 13, 1981	50.00
KJZT–Catholic Women's Fraternal of Texas, P.O. Box 1884, Austin, Tex. 78767: Mar. 21, 1982	400.00
Brey & Krause Manufacturing Co., Front & Chew Sts., Allentown, Pa. 18102: Feb. 26, 1982	500.00
Del Rosa Federated Woman's Club, Mrs. Bill Hunt, Treasurer, 2647 Acacia Ave., San Bernadino, Calif. 92405: Feb. 18, 1982	10.00
The S–P Manufacturing Corp., 30201 Aurora Rd., Cleveland, Ohio 44139: Mar. 28, 1982	25.00
Gainesville Junior Woman's Club, P.O. Box 42, Gainesville, Fla. 32602: Feb. 2, 1982	50.00
American War Dads Auxiliary, National Headquarters, 117 W. 6th Ave., Topeka, Kans. 66603:	
July 14, 1982	51.00
Aug. 20, 1982	12.00
Aug. 20, 1982	2.00
Total	65.00
G. L. Winelander, Elkins Park House, 7900 York Rd., Elkins Park, Pa. 19117: Apr. 14, 1982	20.00
Mr. Vilio Hakala, Route 2, Iron River, Mich. 49935: June 8, 1982	24.00
Iowa Federation of Woman's Clubs, 3839 Merle Hay Rd., Suite 224, Des Moines, Iowa 50310: June 23, 1982	35.00
Women's Club of South Hampton, Mrs. James Exum, 338 Clair Rd., Southhampton, Pa. 18966: May 20, 1982	10.00
Manufacturers Hanover Foundation, Mr. Donald C. Keynton, 350 Park Ave., New York, N.Y. 10022: Dec. 11, 1981	2,000.00
Carl R. Moodey, 29 Olyphant Parkway, Morristown, N.J. 07960: Mar. 26, 1982	25.00
Shure Bros., Inc., Mr. Sidney N. Shure, 222 Harirey Ave., Evanston, Ill. 60204: May 20, 1982	100.00
Allied Chemical Foundation, P.O. Box 2245R, Morristown, N.J. 07960: Aug. 3, 1982	1,000.00
Amax Foundation, Inc., Mr. F. Taylor Ostrander, 1270 Avenue of Americas, New York, N.Y. 10020: June 28, 1982	1,000.00
Gelatt Foundation, Mr. D. B. Lee, P.O. Box 1087, La Crosse, Wis. 54601: Feb. 8, 1982	150.00
The Brand Foundation, 3500 Walnut St., McKeesport, Pa. 15132: Apr. 27, 1982	200.00
Colorado Federation of Woman's Clubs, Mrs. Glenn Rosenberger, 720 Marine St., Boulder, Colo. 80302: July 14, 1982	9.00

	Current donations
The Allen Morris Foundation, Suite 1200, 1000 Brickell Ave., Miami, Fla. 33131: June 8, 1982	$150.00
ARO Employee Charities Trust, Arnold Air Force Station, Tenn., 37389:	
May 13, 1982	6.90
Aug. 16, 1982	193.46
Aug. 20, 1982	5.50
Total	205.86
The Raymond John Wean Foundation, P.O. Box 751, Warren, Ohio, 44482:	
Nov. 18, 1981	300.00
May 20, 1982	200.00
Total	500.00
Lee H. Burke, 10 Wyllie St., Hawaii 96817: Nov. 25, 1981	50.00
Kerr McGee Corp., Kerr McGee Center, Oklahoma City, Okla. 73125: Nov. 23, 1981	250.00
Arthur Weinberger, 35 E. Parkway, Brooklyn, N.Y. 11238: Jan. 11, 1982	15.00
Robert Tesar, Box 22, Route 5, Blackfoot, Idaho 83221: Feb. 2, 1982	2.50
Beverly Burns, 7 Park Crest Ct., Eldridge, Iowa 52748:	
Jan. 25, 1982	20.00
June 23, 1982	20.00
Total	40.00
The James L. Jenks, Sr. Foundation, 28 Church St., Winchester, Mass. 01890 Sept. 8, 1982	50.00
St. Andrew's Presbyterian Church, 7600 N. Paseo Del Norte, Tucson, Ariz. 85740:	
Dec. 31, 1981	25.00
Dec. 31, 1981	−25.00
Total	
The Reader's Digest Association, Inc., Pleasantville, N.Y., Mar. 8, 1982	5,000.00
Mr. John A. Wasleff, Route 1, Box 128, Alpine, N.Y. 14805: June 28, 1982	100.00
Wilhelm Leinmann, P.O. Box 585, Ocean City, Md. 21842: Jan. 12, 1982	25.00
Emhart Industries, Hartford Division, P.O. Box 700, Windsor, Conn. 06905: Dec. 31, 1981	41.00
Motorola Foundation, 1303 Algonquin Road, Schaumburg, Ill. 60196: Apr. 27, 1982	1,000.00
Mr. Michael H. Geriner, 205 W. 89th St., New York, N.Y. 10024: Jan. 11, 1982	20.00

	Current donations
Edward Barrett, 14 Hawkwood Lane, Greenwich, Conn. 06830: Nov. 18, 1981	$150.00
Exxon Education Foundation, 111 W. 49th St., New York, N.Y. 10020: Oct 19, 1981	15,000.000
Security Pacific Charitable Foundation, 333 S. Hope St., Los Angeles, Calif. 90071: Nov. 18, 1981	1,500.00
Dart & Kraft, P.O. Box 3157 Terminal Annex, Los Angeles, Calif. 90054: Feb. 2, 1982	1,000.00
Mr. William Baker, 293 Palmer Hill, Riverside, Conn: Nov. 18, 1981	30.00
Mr. Winthrop Baker, 37 Musket Ridge Road, Wilton, Conn. 06830: Nov. 18, 1981	15.00
The Washington Post, 1150 15th St., NW., Washington, D.C. 20008:	
Nov. 18, 1981	100.00
Nov. 18, 1981	—100.00
Nov. 18, 1981	1,000.00
Total	1,000.00
George H. Arrowsmith, Old Dover Beverly, Upperco, Md. 21155: Nov. 30, 1981	1,000.00
Paul McNutt, 707 Bethlehem Pike, Philadelphia, Pa. 19118: Nov. 9, 1981	25.00
Pauline L. Dunn, P.O. Box 583, 1010 11th St. N., Columbus, Mo. 39701: Nov. 18, 1981	50.00
Robert M. Fell, 1901 Ave. of the Stars, No. 1611, Los Angeles, Calif. 90067: Nov. 18, 1981	50.00
Suzanne D. Franke, 569 A. Oneida, Stratford, Conn. 06497: Nov. 18, 1981	10.00
Richard Glover, 300 Cascade Rd., Stamford, Conn. 06903: Nov. 18, 1981	30.00
Ernest Jennes, 1701 Marshall Court, Annapolis, Md. 21401: Nov. 19, 1981	50.00
Mrs. Jack Jurey, 3211 Rowland Pl. NW., Washington, D.C. 20008: Nov. 18, 1981	20.00
Lester Lindow, 3475 S. Ocean Blvd., Palm Beach, Fla. 33480: Nov. 18, 1981	25.00
Rosser Long, P.O. Drawer 210, Fayettville, W. Va. 25840: Nov. 18, 1981	50.00
Bonneville Int'l Corp., Arch L. Madsen, 36 S. State, Suite 2100, Salt Lake City, Utah 84111: Nov. 18, 1981	100.00
Patricia A. Narop, One Strawberry, Stamford, Conn. 06902: Nov. 18, 1981	10.00
L. L. Charotte Sarnoff, 7507 Hampden Ave., Bethesda, Md. 20014: Nov. 18, 1981	100.00

	Current donations
Chairman and Editor, Mr. Sol Taishoff, Broadcasting Magazine, 1735 Desales St. NW., Washington, D.C. 20036: Nov. 18, 1981	$50.00
Cassie P. Thompson, 4508 Tuornay Rd., Bethesda, Md. 20816: Nov. 18, 1981	20.00
Dane M. Topich, 123 S. 25th St., Pittsburgh, Pa. 15203: Nov. 18, 1981	20.00
Walter Zachakiasiewics, 4601 N. Park Ave., Chevy Chase, Md. 20016: Nov. 18, 1981	50.00
Walt Disney Telecommunications, 500 S. Buena Vista, Burbank, Calif. 91521: Nov. 18, 1981	50.00
The Staff of WBZ–TV, 1170 Soldiers Field Rd., Boston, Mass. 02134: Nov. 18, 1981	100.00
Epic Twarg, 122 Harding Rd., Pittsburgh, Pa. 15229: Nov. 18, 1981	25.00
Lynn D. Ulrey, Rd. 1, Box 127, Prosperity, Pa. 15329: Dec. 7, 1981	25.00
Mr. George Berwanger, 845 Ridgefield Ave., Pittsbury, Pa. 15216: Nov. 18, 1981	25.00
Mr. Robert Duboff, 4 Longfellow Pl., No. 1908, Boston, Mass. 02114: Nov. 18, 1981	25.00
Herbert Granath, 15 E. 91st St., New York, N.Y. 10028: Nov. 18, 1981	100.00
Westinghouse Broadcasting Co., KDKA, One Gateway Circle, Pittsburgh, Pa. 15222:	
Nov. 18, 1981	100.00
Nov. 18, 1981	100.00
Total	200.00
Mr. Carl Zimmerman, 640 Dauphine Ave., Northbrook, Ill. 60062: Nov. 18, 1981	25.00
Laurence Richardson, 409 Second St., NE., Charlottesville, Va. 22901: Nov. 18, 1981	25.00
Arvin/Carspain Field Services, Inc., 1611 N. Jackson Street, Tullahoma, Tenn. 37388:	
Dec. 7, 1981	45.57
Aug. 16, 1982	106.38
Total	151.95
Junior Womens Club of Rock Hill, Inc., Rocky Hill, Conn. 06067: Dec. 2, 1981	14.75
Palmyra Charities, J. Roger Olson Bird Island, Hector, Minn. 55342: Dec. 24, 1981	18.00
Roy H. Anderson, 1401 Dakota St. NE., Albuquerque, N. Mex. 87110: Dec. 24, 1981	25.00

	Current donations
Chicago Bridge & Iron Foundation, 800 Jorie Blvd., Oak Brook, Ill. 60521: Jan. 22, 1982	$500.00
Chester E. Herder, Main & Center St., Three Bridges 08887: Jan. 18, 1982	100.00
Robert H. Krieble, P.O. Box 394, Old Lyme, Conn. 06371: Jan. 22, 1982	250.00
William Buell: Jan. 11, 1982	110.00
E. C. Pitman, 4779 Demontluzin St., New Orleans, La. 70122: Jan. 29, 1982	5.00
John T. Dorrance, Jr., Monk Rd., Gladwyne, Pa. 19035: Jan. 18, 1982	1,000.00
Susan Sharko and William M. Peterson, 53 Potter Pl., Weehawken, N.J. 07087: Feb. 16, 1982	25.00
Mr. and Mrs. Thomas Phillip, 22 Newton Ave., Norwich, N.Y. 13815:	
Feb. 16, 1982	904.25
Feb. 16, 1982	30.45
Total	934.70
Waterbury Junior Woman's Club, 528 Scoot Rd., Waterbury 06705: Feb. 28, 1982	10.00
The Ford Foundation, 320 E. 43d St., New York, N.Y. 10017: Mar. 4, 1982	25,000.00
Grace Foundation, Inc., 1114 Avenue of the Americas, New York, N.Y. 10036: Mar. 6, 1982	25,000.00
Inland Steel, 3210 Wailing St., Indiana Harbor Works, East Chicago, Ind. 46312:	
Mar. 8, 1982	61.29
May 20, 1982	87.25
Aug. 3, 1982	96.30
Total	244.84
Estate of Paul Burns, 10 E. School House La., Philadelphia, Pa. 19144: Mar. 26, 1982	1,000.00
Latvijas Brivibas Funds, Ltd., P.O. Box 16, Rockville, Md. 20850 Aug. 16, 1982	770.00
Milles, Nash, Yerke, Wiener & Hager, 900 SW., 5th Ave., Portland, Oreg. 97204:	
Sept. 8, 1982	5,874.76
Sept. 27, 1982	15.64
Total	5,890.40
Emanuel Robinson, 5335 Pooks Hill Rd., Bethesda, Md. 20014: Aug. 3, 1982	22.00
Anonymous, Iowa: Feb. 2, 1982	50.00
Ludlow Elliman, Damariscotta, Maine 04543: Jan. 18, 1982	30.00
Grand total	114,047.05

Question 2. For several years, under two administrations, the Board has been urging that appropriate transmitter facilities in the Middle East be found in order to broadcast a decent signal to Soviet Central Asia with its large Muslim populations. Has any progress been made, and does the Board have any substantial reason to believe that any of the Middle Eastern governments would in fact be receptive to a new U.S. transmitter relay base in their country? If not, what would be the point of expanding your Central Asian program staff?

Answer. As a result of an inter-agency study conducted under the auspices of the National Security Council and completed last summer, the Administration decided to seek joint facilities in this area for the Voice of America and Radio Free Europe/Radio Liberty. The Department of State has been charged with exploring the possibility with governments in the area; we will keep the Committee informed on a current basis.

Parallel with these efforts, we hope to provide non-Russian nationality services generally, including the Central Asian services, with some of the area research, monitoring and other program support long available to the East European and Russian language services.

As for Central Asian language staff, qualified personnel are extremely difficult to recruit. In the last few years, we have barely been successful in locating enough newcomers to replace retiring veterans. Additional funding is necessary to pursue such specialized recruitment more intensively. We would hope that, before the question arises of more than modest expansion of the various Central Asian services (some of which now have only three employees), the prospects for new transmission facilities would be clearer than at this point. However, we must face up to the challenge of communicating effectively with the Central Asian Moslem peoples, who constitute the fastest-growing element in the Soviet population.

Question 3. Your Program Policy Guidelines prescribe that "Editorial opinions . . . shall be clearly distinguished from news and news analysis and the source of the opinion identified." I understand that this requirement—which conforms with the German broadcasting law—was a condition set by the federal German government for the most recent renewal of RFE/RL's license to broadcast from German soil. Have the Board or RFE/RL management recently conducted any kind of comprehensive review of actual programs to determine whether these distinctions are in fact being carefully observed?

Answer. Newscasts have long been clearly distinguished from feature programs. On adoption of the new requirement in 1978, major RFE/RL services also began identifying "commentaries" and "editorials" more clearly, in some cases as separate programs. The RFE/RL Broadcast Analysis monitors such programs on a continuing basis. The independent evaluations of various language services since that time indicate that, with relatively rare and sometimes debatable exceptions, distinctions between news analysis and commentary are clearly observed, and the sources of editorial opinions clearly identified.

Question 4. I understand that the Radios' Mission Statement and Program Policy Guidelines have never been translated into Russian, Polish and the other broadcast languages so that the programmers—some of whom read English poorly—can have no doubt about their meaning. Considering that these documents were adopted in 1976, don't you believe it is time to have them translated?

Answer. The Program Policy Guidelines were translated into Russian. There was little need to translate them into East European languages, since nearly all RFE programmers (including all supervisors) read English. The Mission Statement and Guidelines have been frequently reprinted as appendices to the BIB Annual Report, which is distributed to all employees.

Question 5. What is the personnel situation in Munich? Have you succeeded in bringing new blood into the language services from the ranks of more recent emigres?

Answer. Despite budgetary limitations, since 1979 RFE/RL has hired 32 new editorial employees who also left their country of birth since 1978; these include 13 new programmers (including a new director) for the Polish service, 11 for other RFE services and 8 for Radio Liberty services. However, with nearly a third of program staff due for retirement by 1990, we must do more. The FY 1983 supplemental request and FY 1984 budget request aim in large measure at accelerating and intensifying the rejuvenation process—providing not only additional positions but opportunity for double-slotting (as older employees retire), more active recruitment and training programs?

20-612 O - 83 - 13

Question 6. Have all the problems of integrating RFE and RL a few years ago been finally resolved? Do the two Radios and their personnel feel integrated? Are the two services competitive, or do strains exist between them?

Answer. In general, the consolidation has worked well, particularly in such support areas as engineering and administration. However, not all merger problems have been resolved. Much has been accomplished since 1976 in unifying pay scales and consolidating fringe benefits. Before the merger, for example, there were eight different pay scales; now there are four. However, largely because of insufficient funds, further consolidation of pay scales, uniform position classification, and a consolidated housing policy remain to be completed.

Question 7. Do the German federal government and the state government of Bavaria continue to be sympathetic to, and helpful to, RFE and RL?

Answer. Emphatically yes. Both the German federal and local authorities continue to be extremely cooperative and helpful—as clearly evidenced by the cooperation and assistance furnished by municipal, regional and federal authorities following the February 1981 bomb explosion at the Munich broadcast center. RFE/RL reports annually to a bipartisan Radio Committee of the West German German Bundestag; the reception has been most friendly and questions are supportive.

Question 8. Do you feel that the security measures taken following the 1981 bombing, plus the additional measures to be funded under the supplemental, will complete the job of upgrading the security there?

Answer. Unless some new security crisis should arise, we believe that the security measures already taken, plus those additional measures to be funded by the FY 1983 supplemental request, should complete the job of upgrading security.

Question 9. Some observers have said over the years that RFE does a more professional broadcasting job than RL. Was that a fair observation and, if so, is it still true? If it is true, what is being done to improve RL broadcasting?

Answer. The greater flow of Soviet emigrants in the 1970's, various consolidation measures and intensive BIB and management oversight have all contributed to steadily raising the professional level of the Russian service and many of the Radio Liberty non-Russian services. Other RL services remain handicapped by the difficulty of recruiting qualified language personnel, which we hope to address more intensively if the FY 1983 supplemental request and FY 1984 budget request are fully funded. The appointment last summer of a new director of Radio Liberty, who is currently seeking a deputy, should lead to further improvement.

Programs ultimately depend on "talent", and in this respect Radio Liberty has made enormous strides over the past decade. Not only has the Russian service broadcast virtually everything written by Aleksandr Solzhenitsyn and created a special weekly 20-minute block for Vasily Aksyonov, but it has included in its regular programs the voices of the Russian cultural elite: Victor Nekrasov, Alexander Zinoviev, Andrei, Sinyavsky, Lev Kopelev, Mstislav Rostropovich, Vladimir Voinovich, Alexander Nekrich and others. No less important have been such human-rights advocates Ludmilla Alexeeva, General Petro Grigorenko, Natalia Gorbanevskaya, Kronid Lubarsky, Alexander Ginsburg and others. Novelist Nekrasov and General Grigorenko have also been able to broadcast on the Ukrainian service.

While the Russian and Baltic language services are highly professional, we intend to upgrade the Ukrainian and other nationality services.

Question 10. Under the law, the Board for International Broadcasting is required to exercise oversight over RFE/RL broadcast quality and effectiveness. Mr. Shakespeare, do you feel that you can assure us that RFE/RL broadcast quality and effectiveness are all that they could be with existing funds? In addition to the changes proposed in the FY 1983 supplemental and the FY 1984 budget, what else may be needed for RFE/RL to carry out its mission?

Answer. As stressed in the Board's 1983 Annual Report, "consistent underfunding—of an order of 10–12 percent, compounded over a dozen years, has limited the potential variety, diversity, expertise and liveliness of the programs." The FY 1983 supplemental and FY 1984 budget requests are designed to redress the gap, with major stress on improving broadcast quality. In addition to the improvements which would be funded under those requests, there is a need to upgrade transmission facilities—notably, to find a more suitable site for broadcasts to Soviet Central Asia and Kazakhstan.

Question 11. The law also requires that RFE/RL broadcasts be consistent with broad U.S. foreign policy objectives. Mr. Shakespeare, can you certify to us that the broadcasts meet this criterion? If not, please explain the problems.

Answer. The law requires that RFE/RL broadcasts be "not inconsistent with broad U.S. foreign policy objectives." We can indeed attest that the broadcasts meet this statutory requirement.

Question 12. The law provides further that the Board shall maintain oversight to ensure that there is effective utilization by the Radios of the Federal funds provided through the Board. Can you say, Mr. Shakespeare, that there now is such effective utilization of the funding and, if not, what can be dohe?

Answer. We believe the funding is being effectively utilized. As noted in the BIB 1983 Annual Report: "Although staff has been reduced by 700 positions since 1973, RFE/RL now broadcasts more overall program hours, more first-run programs and more news than ever before . . . Independent evaluations have confirmed the high professional standards of most programs; and, when follow-up evaluations have been performed, improvement has been noted." Some of the items in the FY 1983 supplemental request, such as the extension of text and data processing, would help make the organization even more efficient.

Question 13. Can you explain how the proposed expansion of RFE/RL staff from 1675 to 1750 permanent positions will affect the quality of the broadcasting? What will the 75 new people actually do?

Answer. More than two-thirds of the 75 new positions requested in the FY 1983 supplemental are program positions. These include 30 positions in Soviet area research and non-Russian nationality services, 15 in the Central News Division (including six at new bureaus in the Middle East, Southwest Asia and the Far East), and eight to bolster RFE language desks. In addition, funds are requested for temporary "double slotting" in program positions, editorial and broadcast training programs, and more intensive recruiting efforts. The supplemental would also provide for technical monitors at new stations in Scandinavia and Turkey (which will provide better reception data to help upgrade the signal), and for electronic text and data processing specialists (which will both speed up program production and expand the universe of information available to programmers).

Question 14. We note that the FY 1984 budget includes $1,395,000 to replace eight antiquated 50-kilowatt transmitters in West Germany with four modern 100-kilowatt transmitters. At a time when other major international broadcasters have installed or are installing transmitters wtih much greater power, why is RFE/RL installing 100-kilowatt transmitters? RFE/RL itself has previously installed 250-kilowatt transmitters.

Answer. The transmitters at Biblis and Lampertheim broadcast primarily to Poland, Czechoslovakia, Hungary, Byelorussia, the Baltic States and northwestern Russia (Leningrad), for which 100-kilowatt transmitters are quite adequate in view of the relatively short distance. As recommended in the 1976 Presidential Study on International Broadcasting (which also called for 11 new 250-kWs, now installed and operating), we propose to replace eight old 50-kW transmitters, currently being operated in combined pairs—which do not meet current Bundepost specifications of harmonic energy radiation—with four new 100-kW transmitters. Since the existing antenna systems at Biblis and Lampertheim are dimensioned for 100-kW, the most cost-effective approach is to remain at that power level.

Question 15. Why are the salaries of local employees in Portugal rising by 20 percent in one year?

Answer. In accordance with the labor provisions of the Portuguese license agreement, RFE/RL each October must pay annual cost-of-living increases based on the indices published by the National Statistics Bureau for the city of Lisbon. Last October, the increase was 20 percent; the year before, 23 percent. (The increases were not so stark in dollar terms, since the Portuguese escudo has depreciated against the U.S. dollar.)

Question 16. Where do you intend to open news bureaus in the Middle East, South Asia and East Asia, and what is the rationale for creating these new bureaus?

Answer. Optimal sites for bureaus have not yet been determined, although Tokyo would seem most likely in the Far East and a site in Pakistan most desirable in Southwest Asia. The purpose of creating these bureaus is to enrich RFE/RL programming through more diverse information of interest to East Europeans and, particularly, Soviet citizens. The bureaus would, for example,

provide better coverage of Near East crises, the Afghanistan conflict and Sino-Soviet and Soviet-Japanese relations. We are also considering reopening the bureau in Vienna.

Question 17. If Radio Marti is created by law in this session of Congress, it is likely to be put under the oversight of the Board for International Broadcasting. Is this additional activity, and responsibility, welcomed by the BIB? Do you have any reservations about BIB undertaking this additional mission, Mr. Shakespeare?

Answer. If it is the will of the Administration and Congress that such a broadcast service to Cuba be inaugurated, and that the Board for International Broadcasting exercise the necessary oversight, the Board has no reservations about assuming the responsibility.

Question 18. Your supplemental request includes plans for news bureaus in the Middle East and Far East, and monitoring stations in Scandinavia and Southwest Asia. Can you inform us—in writing if necessary—what you have done so far to obtain the necessary permissions from the various foreign governments involved?

Answer. We have not approached foreign governments yet, because we believe it would be wiser to do so once it is clear the funds will be available. Neither the reputation of RFE/RL nor that of the United States would be enhanced, in our opinion, by involving the various governments in lengthy discussions and paperwork—and then dropping the matter because the funds were not available. We intend to move forward, however, once the appropriations subcommittees have marked up.

Question 19. Your major capital request is for $5.8 million to build an entirely new studio complex in Munich, with 22 new studios. Have you considered perhaps doing a less ambitious renovation in Munich and making a bigger investment for studios in Washington and New York?

Answer. When RFE/RL moved to a new office building in New York in 1980, modern studios were built at the premises. The Washington studios were built in 1975. By contrast, most of the Munich studios date back to the early 1950s. The necessity of rebuilding these studios was discussed extensively in our testimony.

Question 20. I understand an antenna tower at Biblis, which was installed by your own people in 1977, recently collapsed and will be out of service for several months. Previously, three of your new antennas at Holzkirchen collapsed during the first winter of operation. Has the Board undertaken a study of the causes of these accidents, including an independent review of the original designs?

Answer. The recent antenna failure at Biblis did not involve the collapse of a tower. The failure was caused by a breakage in the main support catanary of the antenna. It could have been prevented had past budgets provided sufficient maintenance funds to contract for an outside firm to conduct antenna inspection every 2 or 3 years.

The design for the antenna at Holzkirchen was reviewed by an outside firm under BIB contract.

Question 21. What safeguards are you planning to avert similar problems with the various antenna improvements requested in the fiscal year 1983 supplemental?

Answer. Approximately 10 percent of the funding requested for new antenna, or modifying the structural system of existing antennas, is for structural analysis by an outside specialist.

[Whereupon, at 1:35 p.m., the committee adjourned, subject to call of the Chair.]

DEPARTMENT OF STATE AUTHORIZATIONS

WEDNESDAY, MARCH 9, 1983

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The committee met, pursuant to notice, at 10 a.m., in room SD–419, Dirksen Senate Office Building, Hon. Charles H. Percy (chairman of the Committee) presiding.

Present: Senators Percy, Pell, and Biden.

The CHAIRMAN. Today the committee will hear testimony on S. 660, the President's fiscal year 1984–85 appropriations request. We established a new precedent last year by authorizing 2 years rather than 1 year.

A 2-year authorization saves the time of the administration and the committee. We can always adjust for new developments. I think a 2-year authorization is far better than 1 year. It seemed to work well this last Congress.

For fiscal year 1984, the Department is requesting a total authorization of $2.4 billion, which is an increase of $169 million, or 7.4 percent over the amount appropriated for fiscal year 1983. For fiscal year 1985 the Department is seeking authorization of $2.6 billion, or 5.3 percent more than fiscal year 1984 request.

[Text of S. 660 follows:]

98TH CONGRESS
1ST SESSION

S. 660

To authorize appropriations for fiscal years 1984 and 1985 for the Department of State.

IN THE SENATE OF THE UNITED STATES

MARCH 3 (legislative day, FEBRUARY 23), 1983

Mr. PERCY (by request) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

---

A BILL

To authorize appropriations for fiscal years 1984 and 1985 for the Department of State.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—DEPARTMENT OF STATE

SHORT TITLE

SEC. 101. This title may be cited as the "Department of State Authorization Act, Fiscal Years 1984 and 1985".

AUTHORIZATIONS OF APPROPRIATIONS

SEC. 102. The following amounts are authorized to be appropriated for the Department of State to carry out the authorities, functions, duties, and responsibilities in the con-

duct of the foreign affairs of the United States and other purposes authorized by law:

(1) For "Administration of Foreign Affairs," $1,473,713,000 for the fiscal year 1984 and $1,574,520,000 for the fiscal year 1985.

(2) For "International Organizations and Conferences," $602,343,000 for the fiscal year 1984 and $645,978,000 for the fiscal year 1985.

(3) For "International Commissions," $23,207,000 for the fiscal year 1984 and $27,329,000 for the fiscal year 1985.

(4) For "Migration and Refugee Assistance and Other Activities," $346,200,000 for the fiscal year 1984 and $328,100,000 for the fiscal year 1985.

WORLD INTELLECTUAL PROPERTY ORGANIZATION

SEC. 103. Subsection (b) of Public Law 92–511 (22 U.S.C. 269f) is amended to read as follows: "(b) Such sums as may be required for the payment by the United States of its proportionate share of the expenses of said international bureau for any year after 1981 as determined under article 16(4) of the Paris Convention for the Protection of Industrial Property, as revised".

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING (CIPA)

SEC. 104. Public Law 94–37 (89 Stat. 216) is amended by deleting the words "in the Middle East" after "peacekeeping forces".

ALLOCATION AUTHORITY

SEC. 105. Section 8 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2680) is amended to read as follows: "The Secretary of State may allocate or transfer to any department, agency, or independent establishment of the United States Government, with the consent of the head thereof, any funds appropriated to the Department of State, for direct expenditure by such department, agency or independent establishment for the purposes for which the funds were appropriated in accordance with authority granted in this Act or under authority governing the activities of the agencies of the United States Government to which such funds are allocated or transferred.".

ELIMINATION AND MODIFICATION OF REPORTS

SEC. 106. The following provisions of the following Acts are repealed or modified:

(a) Section 126(c) of Public Law 95–426 (22 U.S.C. 2691 note; 92 Stat. 972).

(b) Section 405(b) of Public Law 95–426 (22 U.S.C. 1048 note; 92 Stat. 979).

(c) Section 12(d) of Public Law 96–8 (22 U.S.C. 3311; 93 Stat. 20).

(d) Section 4 of Public Law 96–110 (22 U.S.C. 2601 note; 93 Stat. 844).

(e) Section 109(a)(7) of Public Law 95–105 (22 U.S.C. 2384 note; 91 Stat. 847).

(f) Section 411 of the International Development Cooperation Act of 1979, Public Law 96–53 (22 U.S.C. 3511; 93 Stat. 376).

(g) Section 703(f) of Public Law 96–465 (22 U.S.C. 4023; 94 Stat. 2100).

(h) Section 503(b) of Public Law 95–426 (22 U.S.C. 2656(c); 92 Stat. 983).

(i) Section 156 of the Clean Air Act, as amended, Public Law 85–177 (42 U.S.C. 7456; 91 Stat. 729) is amended by striking out "and shall report to the Congress periodically on efforts to arrive at such agreements" in the last sentence.

(j) Subsection 204(b)(4) of the Fishery Convervation and Management Act of 1976, Public Law 94–265 (16 U.S.C. 1824(4)(c); 90 Stat. 342–45), is amended by striking out "; and" after subparagraph (B), substituting a period, and striking subparagraph (C).

(k) Section 412(b)(1)(B) of the Immigration and Nationality Act, as amended (8 U.S.C. 1522(b)(1)(B)), is amended by striking out the first sentence and by striking out "after such study" in the second sentence.

The CHAIRMAN. Our witnesses today will be the Under Secretary for Management, Jerome W. Van Gorkom; Assistant Secretary for International Organization Affairs, Gregory J. Newell; and the Director of the Bureau for Refugee Programs, James N. Purcell, Jr.

Under Secretary Van Gorkom will provide a general statement, as I understand it, of the Department's worldwide mission and discuss the needs of the Department with respect to its administration of foreign affairs. Assistant Secretary Newell will discuss the various aspects of U.S. participation in multilateral institutions. Director Purcell will address the Government efforts to coordinate refugee affairs and the needs for increasing funds for migration and refugee assistance.

I have read the text of the testimony. The full text of the testimony will be incorporated in the record so that we can maximize the amount of time for questioning. To the extent you can briefly summarize your statements and incorporate your full statement in the record, the Chair would appreciate it.

Secretary Van Gorkom.

STATEMENT OF HON. JEROME W. VAN GORKOM, UNDER SECRETARY FOR MANAGEMENT, DEPARTMENT OF STATE, ACCOMPANIED BY ROGER B. FELDMAN, COMPTROLLER, AND LOREN A. JURVIS, DIRECTOR, OFFICE OF BUDGET AND PLANNING

Mr. VAN GORKOM. I am very glad to comply with that suggestion. I see no reason in reading the introductory statement. I would just comment briefly on the highlights.

As you have pointed out, our fiscal year 1984 authorization request is approximately $2.4 billion, an increase of approximately $169 million. That would be an increase of about 7.4 percent. I want to hasten to add that that is not a real increase. It is misleading.

The reason is very simple. For the last 3 years, including the current fiscal year, we have not included in our budget the full 12-month requirement for contributions to the international organizations under the administration of Mr. Newell but rather have in each of these 3 years made a contribution and included in our budget only a part of the total 12-month requirement.

This is the last fiscal year in which this can be done, and, therefore, approximately $85 million of the total increase merely the reflection that in fiscal 1984 we will again be contributing the full 12-months amount. So the actual real increase on a truly comparable basis with 1983 is only about 4 percent, which is well within the guidelines of the President's program.

We do have primarily in this total increase $143 million in salaries and expenses to cover uncontrollable wage and price increases, and a net increase of about $10 million in our regular foreign buildings operations. There is also a large increase of $83.5 million in international organizations, which, as I say, is largely illusory insofar as being a true increase over 1983 because 1983 is an understated annual amount.

Mr. Newell will address those items.

We also have a small amount, about $3 million, in international commissions.

Turning away from the money to the positions resource, we are requesting an increase of 308 positions for 1984, which are badly needed.

Of these, 61 positions are basically for built-in changes, almost entirely for consular and passport workloads, and the other 247 positions are for program increases. For example, 15 positions are for opening three new posts, and 62 positions to strengthen the substantive reporting and analysis capability of the Department.

That is important because the ability of the Department to provide, establish, and implement a sound foreign policy depends upon the accuracy of both the gathering of the information and the analysis from all parts of the world. So the 62 positions should help us very much in that area.

We always continue to have growth in our consular and passport activities, so we are requesting 17 positions for that. Then in an area of expanding our professional development, we have 25 positions allocated, and in the whole area of improving our information and communications system and providing more electronic data reporting and so forth, in our administrative support we have 40 positions for information systems, 34 for communications, 31 for the administrative support, and then 23 positions for security and related activities.

As far as 1985 is concerned, that is looking very far out, as you know. We anticipate at this point approximately $2.576 billion, which would be about a 5-percent increase over 1984.

I think that is enough for the preliminary, and we would be very glad to answer any questions the committee might have.

[Mr. Van Gorkom's prepared statement follows:]

PREPARED STATEMENT OF HON. JEROME W. VAN GORKOM

Mr. Chairman and Members of the Committee: I welcome this opportunity to present the Department of State's request for authorization of appropriations for 1984 and 1985. The requested authorization is essential for the attainment of our foreign policy objectives and represents our best judgments regarding the most prudent use of resources. As the Secretary recently said in testimony before the House Foreign Affairs Committee, "Our success in the world depends on our willingness to allocate the resources necessary to support a foreign policy worthy of our traditions and the role we must play in today's world."

FISCAL YEAR 1984 AUTHORIZATION

For 1984, the Department is requesting authorization in four basic categories and 17 separate appropriations totaling $2,445,463,000. This represents an increase of $168,844,000 over our 1983 funding level after adjusting for proposed supplemental appropriations. The specific elements of increase in each category are as follows:

We are requesting $1,473,713,000 for Administration of Foreign Affairs to cover salaries, operating expenses, allowances, overseas building construction and maintenance, and the Department's basic diplomatic and consular functions.

This represents a net increase over 1983 of $137,070,000—which is made up of the following elements:

A net increase of $143,339,000 in our Salaries and Expenses appropriation to cover uncontrollable wage and price increases and to strengthen the Department's operations in several critical areas which I will come back to in more detail.

A net increase of $9,849,000 in the regular foreign buildings program which can essentially be attributed to the first installment in a multi-year capital renewal program to maintain the Department's world-wide inventory of property roughly valued at above $5 billion. Also included in the basic program level of this appropriation are resources to complete the second phase of the complex

in Riyadh, Saudi Arabia; to fund development or construction of office and housing facilities in 16 countries; and to cover operational requirements.

A net decrease of $16,118,000 in other programs partially offsets this increase.

In International Organizations and Conferences, the Department is requesting $602,343,000 to cover assessed contributions to international organizations of which the United States is a member; contributions for United Nations peacekeeping activities; and U.S. participation in multilateral international conferences.

The net increase of $83,539,000 in this category over 1983 primarily reflects the return to full fiscal year funding of U.S. assessments to 11 international organizations after completion of the deferral process that encompassed the 1981 through 1983 budgets. This deferral process had the effect of charging fiscal year 1981 through 1983 each with less than a full year's contributions. Since the deferral program is now complete, the United States obligations to these 11 organizations for calendar year 1983 must be met in full from fiscal year 1984 funds, or we will be placed in immediate arrears.

Under the heading International Commissions, $23,207,000 is requested to meet our treaty commitments under boundary agreements with Canada and Mexico, and to cover our share of expenses as a member of 11 international fisheries commissions. In comparison to current 1983 levels, this category reflects an overall increase of $2,835,000. The increase is primarily the result of wage, price and other built-in increases. Also included is continuation of the Boundary Treaty Projects construction project along the United States-Mexican border.

In Migration and Refugee Assistance and Other Activities, we are requesting $346,200,000 to provide refugee assistance through contributions to a variety of international organizations and to finance the U.S. Bilateral Science and Technology Agreements. The decrease of $54.6 million is primarily attributable to an anticipated decline in the number of Indochinese refugee admissions to the United States from 64,000 to 46,000 and to lower requirements for refugee relief in various areas of the world. The decreases are partially offset by an $8 million increase in refugee assistance to Latin America, primarily in Central America.

TECHNICAL AMENDMENTS

In addition to the authorization of appropriations in this bill, the Department is proposing certain technical amendments.

First, we are proposing language which would remove the statutory annual 4.5 percent limitation on the U.S. assessment to the Paris Union for the Protection of Industrial Property of the World Intellectual Property Organization. The proposed change would permit the United States to participate fully and not fall into arrears as a member of the Paris Union which has recently raised our assessment slightly to 4.6 percent. The level of US. contributions to this organization would be controlled through the authorization and appropriations process as is now the case for other international organizations.

Second, we are requesting that our authority under Public Law 94–37 to pay assessments for U.N. peacekeeping forces not be limited to forces in the Middle East. This is not a change in policy; it merely recognizes that future U.N. peacekeeping forces may have to be established in other areas of the world. This amendment will enable the United States to respond quickly to U.N. peacekeeping efforts without the necessity to seek special legislative authority. If this authority is granted, the Department would continue to consult with this committee concerning any new U.N. peacekeeping entity to be established.

Third, the Department is proposing an amendment to enable the Secretary of State to allocate or transfer funds to other Federal agencies for the purposes for which the funds were appropriated when those agencies can execute certain activities more efficiently than the Department. The Department currently lacks such authority which other agencies (such as the Agency for International Development) have.

POSITIONS AND RESOURCE MANAGEMENT

Mr. Chairman, I would now like to turn first to our request for positions and then to several resource management issues. The 16,687 positions funded by the 1984 request reflect a net increase of 308 positions compared with the current fiscal year.

Of this increase, 61 positions are for built-in changes, almost entirely for consular and passport workload.

We are also requesting 247 positions for program increases:

Fifteen positions for opening three posts: Chengdu, Peoples Republic of China; Bandar, Brunei; and Enugu, Nigeria;

Sixty-two positions to strengthen the substantive reporting and analysis capability of the Department;

Seventeen positions to improve consular and passport activities;

Twenty-five positions for expanded professional development;

Forty positions for information systems;

Thirty-four positions for communications;

Thirty-one positions to strengthen administrative support to all agencies operating overseas; and

Twenty-three positions for security, inspecting, translating, and creating a new property management system for our facilities abroad.

Regarding resource management, most of the Department's 1984 increase is necessary for continuing operations at existing levels and overcoming operational deficiencies. We must:

Meet anticipated wage and price increases overseas, where inflation has been significantly higher than in the United States;

Adjust to the projected 6 percent increase in demand for domestic and overseas passport and consular services;

Maintain our efforts to protect life and property abroad in an increasingly dangerous international environment; and

Build on our past efforts to strengthen reporting and analysis of foreign political and economic events.

In addition to these efforts, we must strengthen several programs of crucial importance to our operational capability. Making these necessary investments will enhance the effective conduct of foreign affairs and avoid increased costs of such investments in the future. Specifically, we need to:

Improve the security and reliability of the Department's telecommunications systems through: building an alternate communications center; replacing obsolete cryptographic equipment; providing mobile communications units for deployment in crises and during travel of the Secretary; establishing a global communications network control system; and accelerating our terminal equipment replacement program.

Provide new office and housing facilities where needed and restore the condition of existing overseas property. Maintenance activities have been seriously neglected and renewal of our existing capital investment is both cost effective and of high priority.

Meet increased demands for continued security of life and property, particularly in Europe.

Expand the Department's global information processing capability to meet increased workload demands and improve our management efficiency through: Providing training and positions for information systems managers to support the Department's investment in ADP systems worldwide, and establishing sorely needed systems for personnel transactions and our Foreign Service National payroll.

Finally, pursuant to the Congressional desire expressed in our 1983 authorization bill and, more recently, in the Second Continuing Resolution of last December, the Department plans to reopen seven consulates in Bremen, Brisbane, Goteborg, Mandalay, Nice, Salzburg, and Turin—subject to host government final approval. Our objective is to reopen these posts in August or September on a minimal staffing basis.

FISCAL YEAR 1985 AUTHORIZATION

The Department is also presenting an authorization request of $2,575,927,000 for 1985. This figure is consistent with the President's multi-year planning estimates and represents an increase of $130,464,000 as compared to the 1984 request. The major components of this increase are as follows:

A net increase of $30,560,000 for Salaries and Expenses for built-in changes, primarily to keep pace with inflation overseas.

A net increase of $61,706,000 for the regular foreign buildings program to fund several important new development and construction projects as

well as including $20 million for the capital renewal program to sustain the Department's existing physical plant.

A net increase of $17,932,000 for the special foreign currency foreign buildings program for several new development and construction projects in India, Pakistan and Burma.

A net increase of $25,025,000 for Contributions to International Organizations to fund anticipated increases, largely due to inflation, in assessed contributions.

A net decrease of $18.100,000 for Migration and Refugee Assistance as a result of expected reductions in refugee admissions to the United States.

A net decrease of $4,659,000 in other programs.

The authorization request before you carefully balance resources requirements with foreign policy objectives. Even within the present stringent budgetary environment, we have made every effort to assure that sufficient resources are available for the United States to continue its pre-emminent role in International Affairs.

Mr. Chairman, Roger Feldman, Comptroller of the Department, and Lorin Jurvis, Director of the Office of Budget and Planning, are with me today to address our overall authorization requirements. Also, Gregory Newell, Assistant Secretary for International Organization Affairs, and James Purcell, Director of the Bureau for Refugee Programs, are here to discuss their respective programs. We will try to respond to any questions you and members of the Committee may have.

Thank you.

The CHAIRMAN. Thank you very much.

Would you like to have questions put to you now and then be excused, or do you wish to remain as part of the panel? I think the whole panel could be finished in probably 50 minutes or so.

Mr. VAN GORKOM. I am perfectly willing to stay, whatever you want.

The CHAIRMAN. There may be other Senators come in who would want to question you.

Mr. VAN GORKOM. Right.

The CHAIRMAN. That would be fine. Very good.

Secretary Newell, we will be glad to hear from you.

STATEMENT OF HON. GREGORY J. NEWELL, ASSISTANT SECRETARY FOR INTERNATIONAL ORGANIZATION AFFAIRS, DEPARTMENT OF STATE, ACCOMPANIED BY MARK EDELMAN, DEPUTY ASSISTANT SECRETARY FOR INTERNATIONAL MANAGEMENT AND BUDGET ANALYSIS, RICHARD V. HENNES, EXECUTIVE DIRECTOR, AND KEVIN E. CARROLL, DIRECTOR, OFFICE OF INTERNATIONAL CONFERENCES

Mr. NEWELL. Thank you, Mr. Chairman.

I appreciate this opportunity to appear before the committee to request $602.3 million for fiscal 1984 and, $646 million for fiscal year 1985 for international organizations and conferences.

Concerning our specific 1984 levels, we are proposing $525.8 million for contributions to international organizations, $66.9 million for contributions for international peacekeeping activities, and $9.6 million for international conferences and contingencies.

Our budget request for contributions to international conferences and contingencies of $525.8 million for fiscal year 1984 is a total in-

crease of $89.6 million over fiscal year 1983. Of this increase, only $4.7 million reflects a net increase in assessments.

The remaining $84.9 million, as Under Secretary Van Gorkom has stated, is attributable to the completion of the U.S. deferral program. The fiscal year 1984 request is to pay for our full calendar year 1983 obligations to those organizations. Further deferral for any of these contributions would place the United States in arrears.

As indicated in my February 25 statement before this committee, the President's budget policy for international organizations is zero net program growth and significant absorption of nondiscretionary cost increases. We made it clear at meetings and conferences throughout this past year with the Secretariats of international organizations and with some 58 countries that we will pursue this course vigorously. We would also underscore the fact that the Geneva group in 1982 and 1981 adopted similar language.

We seek budgets which reflect conservative fiscal policies and economic realities. Our fiscal 1984 request for contribution to peacekeeping activities of $66.9 million is due to a nonrecurring payment, as you have read in the statement.

The appropriation for international conferences and contingencies funds official U.S. participation in multilateral conferences. We have a net increase here of $422,000.

[Mr. Newell's prepared statement follows:]

PREPARED STATEMENT OF HON. GREGORY J. NEWELL

Mr. Chairman and Members of the Committee: I appreciate the opportunity to appear before this Committee to request $602,343,000 in 1984 and $645,978,000 in 1985 for International Organizations and Conferences. Concerning specific 1984 levels, we are proposing $525,773,000 for contributions to International Organizations, $66,948,000 for contributions for International Peacekeeping Activities and $9,622,000 for International Conferences and Contingencies. I will explain in summary form the make-up of these requests.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

As you know, U.S. assessed contributions may be grouped into four general categories:

United Nations and Affiliated Agencies	$388,795,000
Inter-American Organizations	88,609,000
Regional Organizations	40,352,000
Other International Organizations	8,017,000
Total	525,773,000

Mr. Chairman, our budget request of $525,773,000 for fiscal year 1984 is a total increase of $89.6 million over fiscal year 1983. Of this increase, only $4.7 million reflects a net increase in assessments. The remaining $84.9 million is attributable to the completion of the U.S. deferral program. With the split-year funding during the transition period, our fiscal year requests previously had represented only a portion of our calendar year obligations to the 11 affected organizations. The fiscal year 1984 request is to pay in full our calendar year 1983 obligations to those organizations. Further deferral for any of these contributions would place the United States in arrears.

The $388.8 million request for the United States and Affiliated Agencies includes a net increase of $69.9 million over fiscal year 1983. Of this, only $0.7 million reflects a net increase in assessments. The balance, $69.2 million, is attributable to the completion of the U.S. deferral program. Nine of the organizations in this general category were affected by the deferral.

The 1984 request for the Inter-American Organizations includes assessment increases totaling $3.0 million for the Inter-American Institute for Cooperation on Agriculture and the Pan American Health Organization. This increase is in part offset by a decrease of $1.2 million in the assessment of the Organization of American States. Thus, the 1984 request of $88.6 million represents a net increase of $1.8 million over fiscal year 1983.

For the Regional Organizations, there is an increase of $13.8 million attributable to the completion of the deferral program for the Organization for Economic Cooperation and Development and an assessment increase of $1.7 million. The fiscal year 1984 request of $40.4 million is an increase of $15.5 million over fiscal year 1983.

The $8.0 million 1984 request for the twenty-one other International Organizations includes a net increase of $2.4 million over fiscal year 1983. Of this, only $0.5 million is for increased assessments. The balance, $1.9 million, is for completion of the deferral program for the General Agreement on Tariffs and Trade.

As indicated in my February 25 statement before this Committee, the President's budget policy for international organizations is zero net program growth and significant absorption of nondiscretionary cost increases. We have made it clear at meetings and conferences throughout this past year that the United States will not support any budget that does not reflect significant restraint. Throughout my consultations with Secretariat officials and representatives of some 58 countries, I have stressed the need for assessed budgets to reflect conservative fiscal policies and economic reality. The economic realities faced by the United States, other major donors and the developing countries must be taken into account in the budgets of international organizations.

We are taking every opportunity to indicate our belief that international organizations must systematically eliminate low priority items and make every effort to reduce excessive expenditures. In so doing, the United Nations system will be strengthened and will serve as a more effective instrument for international cooperation to meet the changing needs of the world community at large.

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

Mr. Chairman, the United Nations Peacekeeping forces on the Golan Heights and in Southern Lebanon are vital to peace and stability in the Middle East. The United Nations Disengagement Observer Force (UNDOF) and the United Nations Interim Force in Lebanon (UNIFIL) were established by the Security Council in 1974 and 1978 respectively. UNDOF monitors the Disengagement Agreement on the Golan Heights and UNIFIL's objective is to restore the authority of the Lebanese Government in Southern Lebanon. Recognizing the collective financial responsibility of all members for the maintenance of peace and security. The expenses of the forces are apportioned by the United Nations General Assembly in accordance with Article 17(2) of the Charter.

Our fiscal year 1984 request of $66,948,000 reflects a decrease of $6,452,000 due to a nonrecurring payment in 1983 of a 1982 shortfall. This shortfall resulted when the Security Council, on February 25, 1982, passed resolution 501 increasing the authorized troop strength for UNIFIL from 6,000 to 7,000 men. The United States FY 1982 share of this increase was $6,452,000 and was paid from fiscal year 1983 funds.

INTERNATIONAL CONFERENCES AND CONTINGENCIES

This appropriation funds official U.S. participation in multilateral intergovernmental conferences, contributions for the U.S. share of expenses of new or provisional international organizations, and participation of U.S. Congressional Groups in Interparliamentary Unions. The fiscal year 1984 request is for $9,622,000 in new budget authority, of which $8,042,000 is for conference participation, $1,340,000 is for contributions and $240,000 is for the participation of U.S. Congressional Groups in Interparliamentary Unions. Included in our request for conference participation is $1,749,000 for continued participation in the Mutual and Balanced Force Reductions negotiations (MBFR).

The fiscal year 1984 request is a net increase of $422,000 over fiscal year 1983. Price increases of $516,000 and the increased costs of domestic conferences, $62,000, are partially offset by an estimated decrease of $156,000 in the requirements for new and provisional organizations.

FISCAL YEAR 1985 AUTHORIZATION

For 1985, we are requesting $645,978,000 for the category International Organizations and Conferences. This net increase of $43,635,000 over the 1984 level is primarily for contributions to International Organizations to fund anticipated increases, largely due to inflation, in assessed contributions.

Mr. Chairman, this concludes my statement. I will be happy to answer any questions which you or the members of the Committee may have.

The CHAIRMAN. Thank you very much.

Mr. Purcell.

STATEMENT OF JAMES N. PURCELL, JR., DIRECTOR, BUREAU FOR REFUGEE PROGRAMS, DEPARTMENT OF STATE, ACCOMPANIED BY ROBERT L. FUNSETH, SR., DEPUTY ASSISTANT SECRETARY, AND ROZANNE OLIVER, DIRECTOR, OFFICE OF PROGRAMS AND BUDGET

Mr. PURCELL. Thank you, Mr. Chairman.

Our budget request for 1984 is $344.5 million. This is a decrease of $50.5 million from 1983 levels. Half of this decrease is made up of reductions in U.S. admissions of refugees to this country.

We are requesting a worldwide level of 72,000 for 1984 compared to the 90,000 for which we consulted with Congress for 1983. The other half of our reductions were made possible by improvements we have been able to make in the overseas relief programs for refugees.

We estimate that worldwide overseas refugees relief needs to be about $800 million. The U.S. share of that is approximately 25 percent under the budget we are proposing.

We also this year do not have, as we have had in the past, significant new refugee crises such as the Kampucheans, the Somalis, and Pakistanis we have experienced in the past years. However, we all know the volatility of refugee issues. They can occur at any time. Our plans now are to try to deal as a routine matter with refugee relief needs.

Our budget is presented in four sections. First is refugee admissions. We are requesting 72,000 admissions to the United States, 46,000 from Indochina and the remainder from other regions of the world. This category comprises $117 million.

Second, for refugee relief assistance overseas we are requesting $197.5 million. This represents about 57 percent of our budget. I think it is significant to point out that in dealing with refugee needs overseas, we pursue a number.

There are three major solutions to the problem, presently estimated to be about 7 million, refugees worldwide. We assist the international community in providing for initial care and maintenance. We also assist them in finding solutions. Those solutions are generally voluntary repatriation, if conditions permit, resettlement in the region, and as a last resort, third country resettlement.

Two years ago over 67 percent of our budget was for U.S. admissions. That is the third solution. This year we are providing about two-thirds of our budget for relief to deal with refugee problems overseas in an attempt to minimize those who require admission to this country as their solution.

20-612 O - 83 - 14

The third category of our programs for other international activities which includes our contributions to the International Committee for the Red Cross, for dealing with refugee needs; the Intergovernmental Committee for Migration; and assistance for Jewish refugees going to Israel, for which we have requested $12.5 million in 1984.

The last category is administrative expenses, which remain at $7.6 million, the level of 1983, and provides for 98 positions to administer this program. For 1985 we are requesting an authorization of $326.4 million.

I will submit to your questions at this point.

[Mr. Purcell's prepared statement follows:]

PREPARED STATEMENT OF JAMES N. PURCELL, JR.

Mr. Chairman and Members of the Committee: It is a pleasure to appear before you today to present the Department of State's request for authorization of the Migration and Refugee Assistance Appropriation for fiscal year 1984 and 1985. Accompanying me are Robert L. Funseth, Senior Deputy Assistant Secretary of the Bureau, Arthur E. Dewey, Deputy Assistant Secretary, and Rozanne Oliver, Director of the Office of Program and Budget Planning.

Our budget request for fiscal year 1984 is $344.5 million and for $326.4 million for fiscal year 1985. The fiscal year 1984 request is a decrease of $50.0 million from the fiscal year 1983 Continuing Resolution level of funding. Half of this decrease has been made possible by the success of our efforts to reduce refugee admissions to the United States, while continuing to respond to humanitarian needs and U.S. foreign policy interests and responsibilities.

The other half we credit to the absence of such large-scale refugee crises as were experienced in past years, such as the surge of Vietnamese boat people and the Somalia crisis, as well as policy and management initiatives that are containing or reducing the costs of responding to ongoing refugee relief programs. Furthermore, we are pleased with the progress in our efforts to "internationalize" the world's response to refugee problems—that is, to encourage broader participation by other nations in supporting refugee programs, especially other developed countries which are able to carry a bigger share of the burden. We remain aware that the decrease in refugee program needs can be reversed overnight should major conflicts in any of the troubled areas of our world generate new refugee problems.

Our budget request for fiscal year 1984 is presented in four major subdivisions. The first area is refugee admissions, with a request of $117.0 million. This figure is about 34 percent of our total request and a decrease of about $25 million from the fiscal year 1983 funding level. The request is based on the admission of 72,000 refugees to the United States in fiscal year 1984, representing a reduction of 18,000 from the fiscal year 1983 consultations level, and one-third the 217,000 consultations level of fiscal year 1981. The 72,000 projected admissions are divided among 46,000 East Asians, 15,000 from the Soviet Union and Eastern Europe, 6,000 from the Near East and South Asia, 2,000 from the Western Hemisphere and 3,000 from Africa.

Activities required to admit refugees include four areas. First, we request $20.5 million for processing of refugees prior to entry. This includes funding the Joint Voluntary Agency Representatives for processing services in Southeast Asia, Pakistan, and Africa, as well as funding for the voluntary agencies in Europe. Also included are funding of some necessary management services by the voluntary agencies in the United States, such as a data information system on refugee admissions and American Red Cross tracing activities.

Second, we are requesting about $46.6 million for capitalization of transportation loans through the Intergovernmental Committee for Migration for refugees admitted to the United States. This takes into account a projected $8 million in loan repayments in fiscal year 1984.

Reception and placement grants to voluntary agencies which provide initial reception and placement services to newly admitted refugees is the third area with a request of about $39.5 million. This level provides for a small increase over the per-capita amounts budgeted in fiscal year 1983 in order to cover the effects of inflation.

Finally, we are requesting about $10.4 million for the training and orientation of refugees admitted to the United States. We have already in place a sound program of English language and cultural orientation training for Indochinese refugees awaiting admission in the Refugee Processing Center. We are requesting funding of program improvements to address the additional training needs of Indochinese refugees least likely to succeed in the United States—those who are preliterate or who have very low levels of learning. In addition, we propose extending our training programs to some other groups of refugees where economically feasible. It is our conclusion, after careful investigation, that the very small program increases in this area will result in significant savings in domestic welfare costs because refugees enter much better prepared for life in the United States, especially to take entry-level jobs.

Funding requested for relief assistance to refugees overseas in fiscal year 1984 is $197.5 million, about 57 percent of our total request and a decrease of $25.8 million from the fiscal year 1983 funding level. Three years ago, the composition of our request was about two-thirds for admission and one-third for relief assistance. We have now reversed these percentages reflecting the determination of the Administration to seek solutions to refugee crises other than admission to the United States. We have sought to address refugee needs through assistance in the countries of first asylum and through pursuit of repatriation, resettlement in countries of asylum, or resettlement in third countries other than the United States. We are pleased that we have succeeded in doing so while continuing to meet our humanitarian responsibilities through the admission to the United States of those who need this solution and are eligible under our laws.

The relief assistance category encompasses a number of programs, particularly relief programs identified by geographic area. In addition, we plan to maintain a small fund to foster resettlement opportunities other than resettlement in the United States, including voluntary repatriation and resettlement in place.

Relief for Indochinese refugees in Southeast Asia is substantially reduced over previous years at our request level of $21.7 million, but remains crucial to support the efforts of the UNHCR and other agencies to address the needs of about 200,000 refugees in UNHCR camps and the quarter of a million Kampuchean refugees who remain in a precarious situation on the Thai-Kampuchean border.

African relief assistance is also reduced from our fiscal year 1983 request to a request of $52.8 million for fiscal year 1984. This reflects not a reduced commitment to the problems of African refugees, but rather the fortunate circumstances which have decreased the needs in some key areas, such as Somalia. Furthermore, a shift in emphasis of relief programs in Africa towards encouraging an early return to economic independence of refugees in countries of asylum is expected to yield substantial benefits for refugee well-being, host country economic and political stability, besides the dollar savings in the reduced U.S. fair share towards those programs.

The Near East continues to be an area of key concern. In support of the President's peace initiatives in the Near East, continued support for Palestine refugees through the work of the United Nations Relief and Works Agency for Palestine refugees in the Near East is crucial. In our relief assistance request, we have included $72 million for this purpose. We also intend to continue to fund programs of the UNHCR, the ICRC, and some voluntary agencies for almost 2.8 million Afghan refugees in Pakistan. The sum of $31 million is included for this purpose.

Consistent with the concerns of the Administration in Latin America and the growing refugee needs in that area, we are increasing our request for funding of programs for Latin American refugees to $13 million, $8 million more than our fiscal year 1983 request. Most of this amount would go towards UNHCR programs, although some will probably be contributed to the ICRC possibly to voluntary agencies.

Finally, under relief assistance, we have requested $7 million for resettlement assistance programs. In accordance with the U.S. policy of encouraging solutions to refugee problems which minimize the need to resettle refugees in the United States, we intend to pursue the development of other resettlement options, including voluntary repatriation, resettlement in countries of first asylum, and resettlement in non-traditional resettlement countries.

Also included in our request is $22.4 million for "Other Activities". This item includes the U.S. contribution of $2 million to the so-called "ordinary program" of the International Committee of the Red Cross for their administrative expenses, as well as a $1.75 million contribution to their special program for visitation of political detainees. The Intergovernmental Committee for Migration is funded at about $3.15 million for their assessed administrative budget, and about $2 million for their voluntary programs—the same level as for fiscal year 1983.

Also in this category is the program of assistance to refugees settling in Israel at a level of $12.5 million, the same funding level requested for fiscal year 1983. In accordance with the action of the Congress in the authorization act last year, this program now covers not only Soviet and Eastern Europe refugees immigrating to Israel, but also refugees from other areas.

For fiscal year 1984, we request $7.6 million for administrative expenses, an increase of only $38,000 from fiscal year 1983. This assumes maintaining our current worldwide staff level of 98 positions.

With respect to fiscal year 1985, we request an authorization of $326.4 million. Of this total, we are requesting $89.4 million for admission, $205.7 million for refugee assistance overseas, $23.4 million for other and $7.9 million for administrative funds.

The CHAIRMAN. Fine. Thank you very much.

To start off with morale in the Department, you have a fresh opportunity now to take a look at the Department and compare it with private sector organizations. How is the morale in the Department these days?

Mr. VAN GORKOM. I would say generally the morale is very good. I am bolstered in that comment by the fact that Joan Clark, who is Director General of all personnel, has just returned from a 5-week trip around the world visiting—she must have covered at least 20 to 25 posts, an incredible tour de force, frankly, and she reports that morale is good universally.

That is not to say, of course, that there are not some complaints, there always are, and life in our various posts in some of those areas is very difficult, but sometimes the morale is highest in the posts with the most difficult living conditions.

The CHAIRMAN. Yes; that is very interesting.

I will keep the record open for any of you who would like to supplement the record if your statements are too brief or if I ask a question for which you don't have all of the figures with you.

Could we have a statement as to the ratio of career versus political appointee ambassadors for the Reagan administration? We have brought this question to each administration. There are differing ideas on the committee as to what the ratio should be.

What is the present ratio of this administration?

Mr. VAN GORKOM. The present ratio is 68 percent career and 32 percent noncareer in ambassadorial posts, that is, at bilateral missions. I have made an analysis since 1961 and find that the ratio of noncareer people ranges from a high of 36 percent back in 1962 to a low of 25 percent. We have had some lower figures, but they are suspect.

The CHAIRMAN. That is noncareer.

Mr. VAN GORKOM. Yes.

The CHAIRMAN. The lowest was 25 percent?

Mr. VAN GORKOM. The lowest was 25. Actually in 1977 it was 22 percent, and I guess at this point we are prepared to say that is the low point. There was also 22 percent in 1981, but we think, frankly, that those figures are not accurate.

The CHAIRMAN. In what year did we reach the high of 36 percent?

Mr. VAN GORKOM. That was in 1962 when it was 36 percent.

The CHAIRMAN. 1962?

Mr. VAN GORKOM. Yes.

The CHAIRMAN. Is there any statement you care to make with respect to the progress by the Department in implementing the Foreign Service Act?

Mr. VAN GORKOM. We sent up, of course, a very detailed report on the implementation thereof, and I don't know that I want to repeat all of that report. In general we feel the implementation is on track. It is slower than we would like. Our estimate is that it is about 80 percent implemented.

This act is going to create, frankly, some—I won't say problems, but it will cause us to do some things that we have done in the past but not to the same extent, I believe. That is the Foreign Service Act, I think it is important to note, makes the Foreign Service much more of an up-or-out service.

That is, we will have to retire more people than we have in the past before they reach mandatory retirement age simply because, while they may be performing satisfactorily in their current rank, the number of years they could serve at a particular level has been reduced by the Foreign Service Act. This year we will for the first time apply these shorter time-in-class provisions, with the expected result that more people than in the past will be involuntarily retired.

We have two things that have not been placed into effect insofar as the act is concerned. We will employ the new mechanism to grant or withhold limited career extensions. That is the one I just talked about. And we are currently discussing procedures on how this can be done.

Second, we have not yet been able to implement the special incentive differential in the process of the implementation.

Finally, we have found a lot of small technical adjustments that need to be made, and those are being sent up, I believe, are they not? They are before OMB now and must be 25 to 30 very small technical changes, nothing of great substance, which will reach this body eventually after they pass through OMB.

The CHAIRMAN. Thank you very much.

In your judgment, as a former top executive in an international corporation do you find that the Department's budget for personnel for top-level people is tight, about average, or is it loose by private industry standards?

There seems to be a lot of senior career people who are without posts, not assigned, and the morale may be adversely affected because of this situation.

Mr. VAN GORKOM. Of course, first of all, let me say that the very senior people in the Department with whom I work are certainly not overstaffed. There is a 10- to 12-hour workday in the State Department with the very top people with whom I have contact. That is routine. But we do have senior people without assignment. That, again, is a part of this total problem with the Foreign Service Act, which is going to have to be solved to some extent by involuntary retirements.

As in the military service, there are only a certain number of jobs at the top, and it is the custom and the proper custom of the Department to move people along as rapidly as is practical if they show the ability to do so. However, in order to do that, you cannot let the top-level jobs become clogged with people who have plateaued or leveled off.

So we have a very significant problem. The numbers are not enormous, but the fact that there are any people walking the halls, as we say, because we don't have jobs for them is disturbing, to say the least, and it will result this year in our implementation under the Foreign Service Act of 1980 of provisions which will lead to the involuntary retirement of some of our surplus officers.

The CHAIRMAN. I will put a number of questions into the record for you on foreign buildings and the Federal retirement system as matters of interest, but in the interest of time, we would ask you to submit those answers for the record.

One question we have discussed is the role of the Department in promoting exports, which is so crucial to our economy. The biggest single domestic issue is jobs, and the State Department can and should, in my judgment, play a very constructive role on this issue.

I sponsored legislation that created an Under Secretary for Economic Affairs. What steps is the Department taking to increase its emphasis on export promotion?

Mr. VAN GORKOM. Of course, the direct responsibility for export promotion was given to the Commerce Department about 3 years ago. We turned over to the Commerce Department a large number of positions at that time, 679 in total, of which 192 were Americans and 487 were foreign service nationals if my recollection is correct, and they have taken that as their basic initiative.

I have met three different times with the people who are handling this program and will be meeting with them again this afternoon. They have very strong plans for doing this. Our function insofar as they are concerned is to see that they receive the support they need in order to do their job.

Now of course, I think it is fair to say that the Embassy and, very importantly in many cases, the Ambassador himself will have to become involved in special cases if we are to do a total job of increasing exports.

While the Commerce people will continue to bear the main burden of this program and are heavily staffed in order to do so—properly, staffed, I should say—we will still be needed in our various posts to open doors for them, to provide access to the governments at the very top levels when needed.

We have as one of our firm commitments the implementation of this program. Both Secretary Shultz and I share a commitment to that, knowing how important it is to our total economic posture in the world.

The CHAIRMAN. Thank you very much.

Before questioning other witnesses, I turn to Senator Pell.

Senator PELL. Thank you very much, Mr. Chairman.

I join you in welcoming Secretary Van Gorkom, Secretary Newell, and Director Purcell from the State Department.

The State Department, which is the diplomatic arm of our Government, must be recognized as an essential element in our national security. The State Department's budget is less than 2 percent of the Pentagon's and yet effective diplomacy can often protect American interests far better than the billions spent on various weapons systems. It is certainly the vital mission of the State Department to see that these weapons are not used.

Obviously, it is penny-wise and pound-foolish to be spending at enormous rates on weapons procurement while cutting back on the level and quality of our representation abroad. I am delighted that this administration is now following the repeatedly expressed mandate of Congress and is reopening the consulates closed in the last administration. Unfortunately, the reopening will cost far more than if the consulates had never been closed.

I continue to be alarmed, however, at the large number of political appointees, who are leading our Embassies abroad and are staffing even midlevel positions here in Washington. There is no substitute for the expertise and experience of the Foreign Service professional and we only damage ourselves when we leave these talks to amateurs.

Similarly, I would note that our membership in the United Nations and related international organizations also serves a vital national security interest. Although the United Nations has not achieved all that those of us who were present at its founding had hoped, it is still mankind's best chance to make a more peaceful, a healthier, a freer, and a wealthier world.

Finally, I would note that, while refugees and migration assistance is less obviously linked to our national security, it too is a critical program. To me the test of our qualities as a people is how well we respond to those who are most in need and who have the least power. The refugee and migration assistance programs have saved millions from the ravages of war and starvation, and have given thousands a new life in our country.

I am also very pleased to see that the administration is proposing $1.75 million as the U.S. contribution to the "political detainees" program of the ICRC. I know of no more effective program to save lives and I am particularly pleased at this request as it follows from an amendment I attached to fiscal year 1982–83 State Department authorization bill.

I have a couple of very brief questions.

How long a backlog does the Human Rights Bureau have in making recommendations in asylum cases? Does the Bureau have adequate resources to intervene effectively in the cases of all political prisoners brought to its attention?

I am not sure which of you would care to answer.

Mr. VAN GORKOM. The person in charge of that program, Senator Pell, is Elliot Abrams, and he is not with us today.

Senator PELL. Perhaps I could submit this question in writing.

Mr. VAN GORKOM. We will be glad to see that he responds.

[The information referred to follows:]

Question. How long a backlog does the Human Rights Bureau have in making recommendations on asylum cases?

Answer. There are approximately 10,000 cases in various phases of the Bureau's review process. This includes about 4,000 cases that were received by

the Department of State last month, which is the largest volume of cases ever received in a single month.

Question. Does the Bureau have adequate resources to intervene effectively in the cases of political prisoners brought to its attention?

Answer. Yes.

Question. What level of resources is needed to allow the Bureau to handle efficiently its asylum and political prisoner case load?

Answer. As noted above, the current level of resources is sufficient to handle the political prisoner caseload. The day to day responsibility is in the hands of the officer who covers each region of the world, and his or her superior at the office director and deputy assistant secretary level.

The level of resources needed to allow the bureau to handle its caseload varies over time. The asylum caseload has increased greatly over the past years. Last month, as noted above, the largest volume of cases ever received in a single month was sent over to the Department of State by the INS. A large increase in the caseload would require an increase in manpower attending to it, precisely what level of staffing would be necessary might depend on arrangements with the INS as well as management efficiencies within the bureau. We are currently engaged in discussions with the management operations division of the Department, and with the INS, about the handling of asylum cases. These discussions will enable us to determine the precise staffing level required and to achieve it.

Senator PELL. Fine.

Could you also supply for the record following the chairman's questioning the number of political noncareer appointees in the jobs in the State Department, and could this list be by job category? In other words, you have ambassadors, office directors, deputy assistant secretaries. Could you submit a comparison with the previous administration.

I realize this is a little complicated, but someone could draw that up in the next few days, I would think, without too much trouble.

Mr. VAN GORKOM. We have all of that data. I don't know what we can do about preceding administrations.

Senator PELL. Take an arbitrary figure, perhaps 5 years ago and see where you are.

[The information referred to follows:]

NONCAREER APPOINTMENTS—REAGAN AND CARTER ADMINISTRATIONS

Question. Would you please supply for the record the number of political or noncareer appointees in all jobs in the State Department? Please provide this list by job category and please provide a comparison with numbers and percentages to the previous Administration.

Answer.

	Reagan administration		Carter administration	
	Number political appointees	Percent	Number political appointees	Percent
Ambassadors	39	32	30	25
Assistant Secretaries	13	48	11	48
Deputy Assistant Secretaries	20	26	11	14

We are compiling figures for categories of personnel below the level of Deputy Assistant Secretary and will provide them to the committee staff when the data has been assembled.[1]

[1] The information referred to is in committee files.

Mr. VAN GORKOM. Before you came in, with regard to the bilateral missions, that is, ambassadors to other countries, I made an analysis for 20 years or 22 years, back to 1961, and the largest percentage of noncareer employees was 36 and the lowest 22.

Senator PELL. I believe I was here when you were giving those figures.

Mr. VAN GORKOM. At the present time we are at 32.

Senator PELL. But I would like to see it by categories.

Mr. VAN GORKOM. Yes; we have that data and we will give it to you. We couldn't get that data back very far, but we will give it to you on the basis of today.

Senator PELL. Thank you.

What benefits, Mr. Newell, do we derive from our membership in UNESCO?

Mr. NEWELL. We believe we derive great benefits from the scientific sector, many in the educational sectors, and some in the cultural sector. Specifically on the educational side, we believe we receive indirect benefits through the Universal Copyrights Convention of UNESCO, which protects and facilitates the selling to the rest of the world material with a value in excess of $1 billion a year—books, films, et cetera.

Senator PELL. I would hope there are no plans for our withdrawal of UNESCO. Are there?

Mr. NEWELL. There are none that I am aware of.

Senator PELL. Good. I hope we continue that way. What, in your view, should be the role of the U.S. Commission on UNESCO?

Mr. NEWELL. The U.S. Commission's role we are looking at right now. I met 3 weeks ago with the 100 commissioners on the UNESCO Commission, and an ad hoc committee of the National Commission met yesterday discussing what the role and what the link between the Department of State and the Commission should be.

As you are aware, Senator, the administration proposes to zero out $484,000 in operating expenses for the Commission Secretariat. We have agreed in the Bureau to absorb those requirements within the Bureau and to perform many of the functions they have heretofore done.

I would underscore the fact that the funds available to the Commission for traveling, meetings, and conferences will still be paid by the Department of State.

Senator PELL. In other words, the U.S. Commission will continue although it will be zero funded, but the expenses will be absorbed by your Bureau. Would that be a correct analysis?

Mr. NEWELL. That is correct. To be fair, it should be added that the private sector will most likely choose to raise funds from the outside to augment the Commission's program.

Senator PELL. Good luck.

Following up on the point the chairman made about exports, in my experience I have seen the pendulum swing back and forth. When I was a Foreign Service officer, the Commerce Department had complete responsibility for exports and then it was decided to bring it into the State Department. Now we have swung back to the Commerce Depart-

ment, and I wouldn't be a bit surprised if a few years from now we find the pendulum swinging back again. I think our experience over the years has been thus.

On another matter, I have given some thought that the Foreign Service Information Officer label should probably be eliminated, and I say this advisedly because it was my amendment that created it. I would propose that we think of information officers as being a fifth cone.

As you know, economic, administrative, consular, and political are the present four cones of the Foreign Service. Add information as a fifth cone, which would give greater flexibility to the men doing this work, and a greater opportunity for present FSIO's to achieve ambassadorial or other top rank.

What would be your reaction?

Mr. VAN GORKOM. We have discussed this with USIA. They have people qualified for ambassadorial appointments, for example, and we have told them to start submitting candidates and we will include them in with others for consideration.

Senator PELL. That is not quite my suggestion. My suggestion was eliminate the label FSIO [Foreign Service Information Officer], and have everyone be FSO's and have it as a fifth cone within the Department.

Mr. VAN GORKOM. That is a very broad concept and I don't think I can answer that off the top of my head.

Senator PELL. I created, with Congressman Hays, the present FSIO label. It was not a very major amendment, and it would be quite simple now to change the name FSIO to FSO. I think it would be beneficial to the men and women in USIA and also provide for greater interchange of skills.

Could you take it under advisement?

Mr. VAN GORKOM. I certainly would.

Senator PELL. Thank you.

As a final question, how is the performance pay system working out?

Mr. VAN GORKOM. It is very difficult, sir. I say this because I was the head of a fairly large company for 18 years and I always found paying bonuses was one of the most difficult decisions to arrive at. We think we have a modus operandi for doing that. Frankly, it is mandated by the statute. We have a selection board and we have just convened a selection board that I selected personally to make the performance pay for the period ending last April 15.

Now, the reason for this long delay has been some difference of opinion as to how this should be handled between the union representatives and the State Department.

Senator PELL. That was not my question. You are telling me the mechanics of how it is working out. I am saying is it a good thing, a bad thing, or are you neutral?

Mr. VAN GORKOM. Whether it is a good thing or not will only be determined by whether the people who are the most deserving get the rewards. The reason I emphasize that is because that will depend upon the caliber of the people we put on the selection board.

I have made it a prerogative to have five people on the selection board, the best people we could possibly get. In fact, we have called

back, as an example, two of our very top ambassadors, one a man from—well, the one who was the Ambassador to Spain. This is really quite important.

I must say that I am at this point adopting a wait-and-see attitude to see whether the rewards really reward the people who we think should get them.

Senator PELL. I am glad you have a wait-and-see attitude. The chairman and I do not fully agree on this, but my own view is to be very skeptical indeed and I will be very interested, not the mechanics of how you make it work, but whether it is really improving performance and morale, which is its purpose.

I would appreciate an objective opinion the next time you come up, and if you think it is a success, I would like to know if you would recommend we spread it to the Army and Navy so generals and colonels would get bonuses as they do better on maneuvers or even in battle, which in my view is a questionable proposal?

Mr. VAN GORKOM. I will be glad to give you my opinion after I have been through this first go-around.

Senator PELL. Thank you very much.

The CHAIRMAN. With respect to Senator Pell's previous questions, the figures he would like to have involve appointees. I believe the figures you gave to us included incumbent ambassadors from previous administrations.

Mr. VAN GORKOM. Yes.

The CHAIRMAN. The AFSA has pointed out to this committee, that in their judgment the important ratio is the administration appointees. They point out that this percentage is higher than any previous administration. So you may want to differentiate between carryovers, although when you decide to carryover a career official, that is a conscious decision not to replace him with a noncareer. You may want to break it out both ways.

On exports, particularly with respect to our problem in exporting grain, which is so important to us and helps contribute to our balance of payment, even though it is overall a great deficit and growing larger, what is your own view on the possibility of our achieving a long-term grain agreement with the Soviet Union?

They have indicated by their actions that we are becoming a supplier of last resort. There have been other countries, when we have embargoed grain who have stepped into the breach, increased their production and increased their sales production despite our embargoes. Those countries have taken markets away in manufactured goods as well as agricultural goods.

The President has signed a contract sanctity provision affecting agricultural goods, but we do not have one for manufactured products. The first question is, Do you favor a long-term agricultural agreement as we had before, hopefully raising the minimum levels from 6 million tons to 12, and second, what is your feeling about having a contract sanctity provision affecting manufactured goods as well as agricultural goods?

Mr. VAN GORKOM. When you talk about a contract sanctity provision, do you mean the Government could not by its actions interfere with a contract?

The CHAIRMAN. Within a period of time, yes.

Mr. VAN GORKOM. It goes without saying that on agricultural products we are the low-cost producer of the world and we should be, therefore, a major, major exporter. But if we were handling it purely as a business transaction, I would say, and this is just a personal view, contracts of certainly more than 1 year would be desirable.

But if we are going to use grain also and other products as a political tool, or weapon, whatever you want to call it, then, of course, those tend to override the economic considerations. I do not have an opinion at this point as to whether that is a sound procedure or not, to let political concerns override economic considerations.

We, obviously, take political concerns into account in certain areas, for example, when we restrict the export of highly technical machinery and data to people who might use it against us. So it is not unusual to have political considerations override trade desires or what is best for trade.

So I don't think I can really choose between those two because I am not prepared to do that.

The CHAIRMAN. If the Department could furnish to us, and we will keep the record open, a judgment on that, I would very much appreciate it. We are reaching the point where not only farmers but manufacturers are saying we are having trouble selling anything in certain areas where there is political sensitivity in the country. Countries are concerned about buying American products should a political problem arise, which may be the cause for the denial of spare parts.

We must go a long way to create the impression that we are a reliable supplier. We know as an absolute fact if we impose an embargo in other than an extreme circumstance, we have never been joined effectively by our allies. Technologies for military purpose we embargo anyway.

Having proven it is not effective, we must now overcome the past, and I hope you can take some leadership with the distinguished background you have in working with your colleagues to see that we become a reliable supplier again. The strength of our economy is absolutely essential.

Mr. VAN GORKOM. There is no question that what we have done has seriously retarded our ability to sell goods overseas, and I will talk to my colleagues and give you a statement.

The CHAIRMAN. Secretary Newell, last year the administration published a study called Soviet Acquisition of Western Technology. I was disturbed to learn the extent of illegal Soviet acquisition from the West and the impact of these acquisitions on Soviet military capabilities. One step we can take to slow down illegal Soviet acquisition of technology is to strengthen the COCOM organization.

Currently COCOM has only limited staff and resources. I am considering earmarking $2 million of funds in this bill to help strengthen COCOM. What would be your reaction to that proposal?

Mr. NEWELL. I would have to defer, Mr. Chairman, to EUR or PM. I am not familiar with that subject.

[The information referred to follows:]

This Administration believes that there is a definite need to upgrade the Coordinating Committee (COCOM) secretariat facilities as part of overall efforts

to strengthen COCOM's capacity to coordinate the national security export controls of the member governments.

Even though we have discussed the need to modernize the COCOM secretariat with other members and they have agreed in general terms, the details of such a program still must be worked out.

The broad outline to be considered for upgrading the secretariat would include the following: Data and word processing equipment; telecommunication lines; simultaneous translation equipment; additional support and professional staff; and space to house the personnel and equipment.

The CHAIRMAN. Staff has visited the headquarters. I have not physically been in the headquarters of the Coordinating Committee for Multilateral Export Controls, COCOM, but it does seem as though, if this study is true, we ought to do something about it. I would appreciate your looking into it.

That brings me to the whole concept of zero budget growth, which, if it is applied across the board, removes the judgment, say, of a new official nominated and confirmed to the Senate such as yourself. It doesn't differentiate between organizations, some worthwhile and some less worthwhile.

To treat UNESCO, the ITU, FAO, and WHO in the same manner prevents any judgments being made on the effectiveness or ineffectiveness of these organizations.

I am for an overall freeze if we have to do it, but within that freeze, as we do in our budget, when we set the budget level, then there is discretion given to the authorizing committees to allocate within those ceilings. They can shift priorities as to the importance of various organizations.

What is your own view on that?

Mr. NEWELL. Mr. Chairman, I would say two things here. No. 1, our policy is zero net program growth, which means that we do recognize the need for changing new programs. When that occurs, we recommend to ourselves and to our friends and allies to make specific recommendations for the elimination of the lower priority items to make way for those new programs we find important or essential.

The second response that I would give here is we recognize the unfairness of treating the World Health Organization as we treat the FAO. The World Health Organization is much more responsible, much more reliable. They perform their management functions to a higher degree than does the FAO or UNESCO.

I have stated personally to Dr. Mahler, that concerning the zero net program growth policy of treating all organizations the same, we would hope we would be able to move away from this on a case-by-case, organization-by-organization basis after the 1984–85 biennium.

I look to the future to rewarding those organizations which are well managed and well run, which are responsive to the member states. Of course, the opposite of that would be to be more severe with those organizations which do not respond.

The CHAIRMAN. Thank you very much.

Director Purcell, looking at the projected U.S. refugee admissions from Africa and Latin America, they haven't really changed much in recent years. Do you anticipate that the actual admissions from these areas will reach the levels in your congressional presentation materials?

Mr. PURCELL. Sir, we are finding, as I mentioned in my opening statement, that we are pursuing three basic solutions to refugee problems in priority order: voluntary repatriation, settlement within the region, or admission to third countries such as the United States.

We are finding both in Africa and Latin America a tradition of hospitality that has been provided to refugees in first asylum states while they are awaiting political outcomes that might permit their repatriation. In that regard, we are not going to implement significant third country resettlement from Latin America or Africa because we do not believe it necessary.

We have requested 3,000 in Africa, and I would suspect in 1984 we will probably reach that number. In Latin America our program is generally geared for political prisoners or persons whose lives are in immediate danger or immediate relatives of refugees in this country presently.

In terms of reaching the numbers, it will depend upon the caseload that applies and the occasions, but I suspect, depending upon factors, we could come reasonably close. But again, it is a case-by-case determination.

The CHAIRMAN. Are the Asian and Latin American figures, in your judgment, adequate?

Mr. PURCELL. In my judgment, sir, they are adequate. We are finding in Southeast Asia a pattern that is slightly changing our previous analysis. As you know, we are dealing there with refugees from Vietnam, Cambodia, and Laos, and our objectives are to maintain humanitarian relief for those refugees needing assistance and maintain first asylum in the region.

In terms of new arrivals to the region, we are finding in the first part of this year that arrivals are pretty much at a trickle. They are 40 percent less than previous years. If those arrivals remain low and other governments in addition to the United States keep their programs at adequate levels, we believe the 46,000 additions to the United States we requested will be sufficient to provide humanitarian relief where needed and to maintain first asylum.

In Central America we will clearly have to continue to follow events there. Our priority is to try to work with first asylum governments such as Mexico and Honduras to assure that they will maintain safe first asylum for refugees, and at such time as political conditions warrant, they can return home. But we believe those numbers are accurate, sir.

The CHAIRMAN. As you know, I have a particular interest and concern about the Hmong refugees that were used in the secret war in Laos. They were asked by our Government to volunteer for military service. They did so in very large numbers. They suffered injuries and deaths. Their families suffered bombing. It was done in retaliation for their volunteering to help the United States maintain a footing in that area, which has since fallen into utter chaos.

We know that human rights violation in that area are probably the lowest in modern times any place in the world.

Now, could you comment on the resettlement of the Hmong refugees in this country, and particularly with reference to what I consider to be a very great success story in the areas of Minnesota and also in

Providence? First comment on our success there. What has happened with the third country resettlement, the experiment we have tried in resettling Hmongs in Guyana.

I understand that there are particularly strict rules with respect to intermarriage between tribes? Has the cost of resettlement there far exceeded estimates made, and resettlement costs in other places.

Would you comment on those two aspects of the Hmong refugee problem?

Mr. PURCELL. Yes. I had the privilege several weeks ago to meet with 26 Hmong leaders from throughout the United States whom we called in for a 2-day workshop to discuss Hmong resettlement. I think we are finding a very wide distribution in the United States. The particular program in Minneapolis you referred to I think is quite successful. The Hmong, however, have been one of the more difficult groups to resettle in this country, primarily because of their tradition of hill tribe farming. Their preparation for life in this country has been difficult.

We are trying to arrange special programs for English language training and vocational training to facilitate their more successful resettlement. I think they have done very well. They are hard workers, but they have a lot of hurdles to face before they are successfully integrated into this country.

We have now in the United States about 50,000 Hmongs. At the meeting I had, I was very encouraged to see the young leadership of the Hmong community developing to try to deal with State and local officials in States where they are resettled and to try to begin to distinguish the types of assistance they will need in the future for resettlement.

We have established in the Office of the U.S. Coordinator, a special Hmong representative who will try to deal directly with the Hmong on their very unique problems.

We still have in Southeast Asia and in first asylum camps in Thailand approximately 50,000 Hmong. I would say most of them at this point are not soliciting U.S. resettlement. They are waiting to see how events develop in Laos to determine whether return is possible.

With regard to the resettlement in Guyana, that particular program was not financed by the United States; that was financed by the French. We have been following that with some interest to determine whether additional settlements in countries like Latin America would be feasible.

It is our understanding that there have been some cultural problems, but by and large the communities that have been developed are reasonably successful and thriving. We and the French are trying to follow that with some caution to determine whether or not it might be the forerunner for additional types of rural settlements, which I firmly believe would be more in the interest of the Hmong than resettling in developed countries such as the United States.

The CHAIRMAN. Thank you very much indeed. I have no further questions of the panel now. We will keep the record open for submission of questions by myself, Senators Mathias and Pell and other Senators. We appreciate your appearance today.

Mr. VAN GORKOM. Thank you, Mr. Chairman.

[Additional questions and answers follow:]

STATE DEPARTMENT'S RESPONSES TO ADDITIONAL QUESTIONS SUBMITTED BY SENATOR MATHIAS

Question 1. Provide for the record an organization chart of the Office of Foreign Missions delineating the number of permanent, full-time positions, contract positions, and detailed positions from other agencies. Indicate how many positions are currently filled.

The organization chart should show the reporting lines of authority from the Office of Foreign Missions (OFM) to the Secretary and the relationship of the OFM to the Office of Protocol.

Also provide for the record the position descriptions for the full-time, permanent positions.

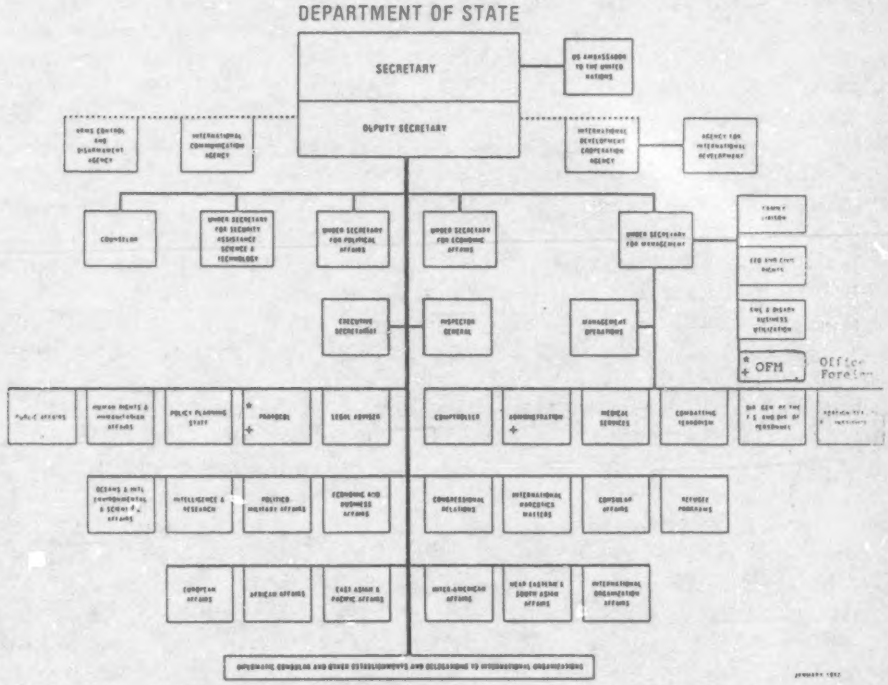
Answer. The Office of Foreign Missions currently has the following positions available for its use:

Incumbent	*Position*
(a) Director	Filled.
(b) Deputy Director	Filled.
(c) Operations Officer	Detail from USIA.
(d) Operations Officer	Vacant.
(e) Senior Secretary	Vacant.
(f) Secretary	Filled.
(g) Legal Contractor	Filled.

In addition to the above the office has approximately eight full and part-time liaison officers assigned from other government agencies. It also has two lawyers available from the Department's Legal Adviser's office providing regular support and assistance.

An organization chart is attached that shows the Director's relationship to the Secretary and its lines of authority as well as those of the Office of Protocol. The office does not have an internal organizational chart at this time, but will be formulating one in the near future.

Attached are those position descriptions that are available at this time.



*Consult on reciprocity issues
+Consult on International Center issues

POSITION DESCRIPTION (Please read instructions on the back)

2. Reason for Submission: [ ] Redescription [X] New [ ] Conversion [ ] Reestablishment [ ] Other. Explanation (Show any positions replaced)	3. Service: [X] Competitive [ ] Excepted	4. Employing Office Location: M/OFM	5. Duty Station: Washington, D.C.	6. OPM Certification No.: RDS-0153	7. [illegible]: 55342
		7. Fair Labor Standards Act: [ ] Exempt [ ] Nonexempt	8. Employment agreement Required: [ ] Yes [ ] No	9. Subject to IA Action: [ ] Yes [X] No	
		10. Position Status: [X] Competitive [ ] Excepted (Specify)	11. Position is: [X] Supervisory [ ] Managerial [ ] Neither	12. Sensitivity: [X] Critical [ ] Noncritical [ ] Noncritical-Sensitive	13. Competitive Level Code: 130.00
					14. Agency Use: SX 1030

15. Classified/Graded by	Official Title of Position	Pay Plan	Occupational Code	Grade	Initials	Date
a. Civil Service Commission						
b. Department, Agency, or Establishment	Director, Office of Foreign Missions	ES	130	00	WHM	2/14/83
c. Bureau						
d. Field Office						
e. Recommended by Supervisor or Initiating Office	Office Director	ES				

16. Organizational Title of Position (if different from official title)

17. Name of Employee (if vacancy, specify)

18. Department, Agency, or Establishment: Department of State
a. First Subdivision: Office of the Under Secretary for Management
b. Second Subdivision: Office of Foreign Missions
c. Third Subdivision
d. Fourth Subdivision
e. Fifth Subdivision

19. Employee Review. This is an accurate description of the major duties and responsibilities of my position. Signature of Employee (optional)

20. Supervisory Certification. I certify that this is an accurate statement of the major duties and responsibilities of this position and its organizational relationships, and that the position is necessary to carry out Government functions for which I am responsible. This certification is made with the knowledge that this information is to be used for statutory purposes relating to appointment and payment of public funds, and that false or misleading statements may constitute violations of such statutes or their implementing regulations.

a. Typed Name and Title of Immediate Supervisor: Jerome W. Van Gorkom, Under Secretary for Management
Signature: [signature] Date: 2-4-83
b. Typed Name and Title of Higher Level Supervisor or Manager (optional)
Signature: Date:

21. Classification/Job Grading Certification. I certify that this position has been classified/graded as required by Title 5, U.S. Code, in conformance with standards published by the Civil Service Commission or, if no published standards apply directly, consistently with the most applicable published standards.
Typed Name and Title of Official Taking Action: William Camp, Director, Office of Position and Pay Mgmt.
Signature: [signature] Date: 6/23/83

22. Standards Used in Classifying/Grading Position: GS-130

Information for Employees. The standards, and information on their application, are available in the personnel office. The classification of this position may be reviewed and corrected by the agency or the Civil Service Commission. Information on classification/job grading appeals, and complaints on exemption from FLSA, is available from the personnel office or the Commission.

23. Position Review	Initials	Date	Initials	Date	Initials	Date	Initials	Date	Initials	Date
a. Employee (optional)										
b. Supervisor										
c. Classifier										

24. Remarks

25. Description of Major Duties and Responsibilities (see attached)

5409-100

* GPO : 1977 O - 241-530 (2004)

Optional Form 8 (Revised 8-77)
U.S. Civil Service Commission, FPM Chap. 295

DIRECTOR, OFFICE OF FOREIGN MISSIONS

Introduction

Under the overall direction of the Under Secretary of State for Management, the Director of the Office of Foreign Missions will be responsible for the implemention of the Foreign Missions Act of 1982.

Major duties and responsibilities

Incumbent directs and coordinates the activities of the Office of Foreign Missions to accomplish the following objectives:

(1) Regulates the activities of foreign missions and international organizations in the United States with respect to their use of real property and their employment of benefits and privileges and immunities consonant with U.S. national security interests and international obligations.

(2) Develops policies and procedures to ensure that U.S. diplomatic missions abroad receive equivalent treatment with respect to benefits and privileges and immunities accorded by the host countries, adjusting as necessary such benefits accorded in the United States on the basis of the principle of reprocity.

(3) Negotiates with foreign diplomatic representatives to ensure compliance with the Act in the United States and to improve operating conditions for U.S. diplomatic missions and personnel abroad.

(4) Coordinates activities under the Act with U.S. security agencies to ensure that U.S. national security interests are protected.

(5) Assesses surcharges, as necessary, on foreign missions in the United States in order to provide compensation for any exaggerated financial charges levied on U.S. diplomatic missions and personnel abroad.

(6) Requires selected foreign missions to obtain services, particularly travel and support services, from suppliers designated by the Office of Foreign Missions, if similar requirements are maintained in those countries for U.S. diplomatic missions and personnel.

(7) Coordinates activities of the office with Federal, State, and local elements involved, particularly in the Greater Washington area, New York City and its surrounding area, and those cities where consular or other official foreign activity takes place.

In carrying out the provisions of the Foreign Missions Act, the Director assists Federal, State and municipal government with regard to ascertaining and according benefits, privileges and immunities to foreign missions and consulates. The activities covered include the execution or performance of any contract or agreement, the acquisition of any benefit, including benefits from any Federal, State or municipal authority, or any entity providing public services.

Supervision received

Incumbent serves under the direction of the Under Secretary for Management exercising maximum independence of action. The Director must keep the Under Secretary fully informed of developments in the conduct of the office, drawing attention especially to those matters of a sensitive concern which could have an impact on the U.S. Government's domestic or international posture, in order to seek guidance in this respect.

Introduction

Under the general direction of the Office Director, incumbent serves as Deputy Director of the Office of Foreign Missions.

Duties

Incumbent supervises the day-to-day activities of the Operations and Liaison Sections ensuring that all priorities and goals are met. Keeps the Director informed on progress and any unusual circumstances.

Acts as Director in the Director's absence and assists in the implementation of the Foreign Missions Act of 1982.

Assists in developing policies and procedures to ensure that U.S. diplomatic missions abroad receive equivalent treatment with respect to benefits and privileges and immunities accorded by the host countries, adjusting as necessary such benefits accorded in the United States on the basis of the principle of reciprocity.

Assists in the negotiations with foreign diplomatic representatives to ensure compliance with Act in the United States and to improve operating conditions for U.S. diplomatic missions and personnel abroad.

Department of State
Position Analysis Work Sheet
(For position encumbered by Foreign Service Personnel)

Type of Action
a. New Position ✓
b. In lieu of 5-55336

A. ANALYSIS	POSITION TITLE	FS/CODE	LEVEL	INITIALS
a. Dept. Action	Program Director	FE-1005	MC	WM
b. Recommended by Initiating Office	Deputy Director	FE	MC	

5. LOCATION OF POSITION:

a. First Subdivision: Department of State

b. Second Subdivision: Under Secretary for Management

c. Third Subdivision: Office of Foreign Missions

d. Fourth Subdivision:

e. Fifth Subdivision:

6. Approved _____ 2/10/83
Title: Chief, Position & Pay Mgmt. Division, PER/PPM — Date

7. SUMMARY OF DUTIES:

NAME _____

See attached duties.

Assists in regulating the activities of foreign missions and international organizations in the United States with respect to their use of real property and their employment of benefits and privileges and immunities consonant with U.S. national security interests and international obligations.

Assists in coordinating activities of the office with Federal, State and local elements involved, particularly in the Greater Washington area, New York City and its surrounding area, and those cities where consular or other official foreign activity takes place.

In carrying out the provisions of the Foreign Missions Act, the Deputy Director assists Federal, State and Municipal government with regard to ascertaining according benefits, privileges and immunities to foreign missions and consulates. The activities covered include the execution or performance of any contract or agreement, the acquisition of any benefit, including benefits from any Federal, State or Municipal authority, or any entity providing public services.

Supervision received

As the Deputy Director, incumbent carries on broad policy, precedent and administrative assignments with regard to Operations and Liaison functions re-

celving only general direction of the scope and objectives of assignments from the Director. His/Her recommendations and conclusions are considered authoritative and are reviewed only for policy and precedent adherence.

Other significant facts

The incumbent must have extensive knowledge of the manner in which U.S. diplomatic relations are conducted, particularly with regard to the role of the intelligence community and the impact upon state and local entities. Must possess a genuine expertise in the operations of U.S. diplomatic and consular posts abroad, as well as outstanding judgment, tact and perception in contacts with high ranking officials. Ability to negotiate with management officials inside and outside of the Department. Ability to make oral and written presentations in a clear, concise and logical manner.

DESCRIPTION

Explanation (Show any positions replaced)

4 Employing Department or Establishment	D.C.			D.C.			
7 Fair Labor Standards Act: Exempt / Nonexempt	Exempt						
8 Employment Information: Yes / No				X No			
9 Subject to IA Action: Yes / No						X No	
10 Position Status: Competitive / Excepted (Specify)	X Competitive						
11 Position is: Supervisory / Managerial / Neither	X Neither						
12 Sensitivity: Critical / Noncritical / Noncritive	X Noncritical						
13 Competitive Level Code						RIF: 312.00	
14 Agency Use						SC: 9280	

15 Classified/Graded by	Official Title of Position	Pay Plan	Occupational Code	Grade	Initials	Date
a. Civil Service Commission						
b. Department, Agency, or Establishment	Secretary (Stenography)	GS	318	-09	HP	3/4/83
c. Bureau						
d. Field Office						
e. Recommended by Supervisor or Initiating Office	SECRETARY (STENO)	GS	318	09		

16 Organizational Title of Position (if different from official title)

17 Name of Employee (if vacancy, specify)

18 Department, Agency, or Establishment: DEPARTMENT OF STATE
a. First Subdivision: OFFICE OF THE UNDER SECRETARY FOR MANAGEMENT
b. Second Subdivision: OFFICE OF FOREIGN MISSIONS
c. Third Subdivision
d. Fourth Subdivision
e. Fifth Subdivision

19 Employee Review. This is an accurate description of the major duties and responsibilities of my position. Signature of Employee (optional)

20 Supervisory Certification. I certify that this is an accurate statement of the major duties and responsibilities of this position and its organizational relationships, and that the position is necessary to carry out Government functions for which I am responsible. This certification is made with the knowledge that this information is to be used for statutory purposes relating to appointment and payment of public funds, and that false or misleading statements may constitute violations of such statutes or their implementing regulations.

a. Typed Name and Title of Immediate Supervisor
Signature: Date: 3/4/83

b. Typed Name and Title of Higher-Level Supervisor or Manager (optional)
Signature: Date:

21 Classification/Job Grading Certification. I certify that this position has been classified/graded as required by Title 5, U. S. Code, in conformance with standards published by the Civil Service Commission or, if no published standards apply directly, consistently with the most applicable published standards.

Typed Name and Title of Official Taking Action
William Kamp
Director, PER/PPM
Signature: Helen Powell for Date: 3/4/83

22 Standards Used in Classifying/Grading Position
GS-318.

Information for Employees. The standards and information on their application are available in the personnel office. The classification of the position may be reviewed and corrected by the agency or the Civil Service Commission. Information on classification/job grading appeals, and complaints on exemption from FLSA, is available from the personnel office or the Commission.

23 Position Review	Initials	Date	Initials	Date	Initials	Date	Initials	Date	Initials	Date
a. Employee (optional)										
b. Supervisor										
c. Classifier										

24 Remarks

25 Description of Major Duties and Responsibilities (see attached)

5080-101 * GPO: 1979 281-537(9227)

Optional Form 8 (Revised 8-73)
U.S. Civil Service Commission, FPM Chap. 295

SECRETARY-STENO

Introduction

This position is located in the Office of the Under Secretary for Management, Office of Foreign Missions (M/OFM). Incumbent serves as secretary to the Director of the Office of Foreign Missions.

Utilizing a thorough understanding of the responsibilities and functions of the Director of the Office of Foreign Missions, incumbent performs a wide variety of duties delegated by the Director and intended to relieve him/her of as many administrative details as possible and to assist him/her in the effective discharge of his/her highly important responsibilities. The competent performance of these duties requires that the incumbent work very closely and in complete harmony with the Director of the Office of Foreign Missions, to be fully aware of his/her policies and viewpoints as they relate to current situations, and to plan for projected activities.

Duties

Incumbent reviews and analyzes all material referred to the Director of the Office of Foreign Missions, determines which requires his/her personnel attention and attaches background material. Personally handles the remainder, drafting replies or reflecting material to other officials of the staff or in the Department with recommendations as to supervisor's views on the matter.

Maintains the calendar for the Director of the Office of Foreign Missions, referring to other officials or rescheduling appointments as he/she deems necessary. In this connection, makes arrangements for meetings and appointments for supervisor, including discussions with the Under Secretary for Management and other high-ranking officers of the Department. Sees that supervisor is fully briefed on the subject of such meetings.

Serves in an effective liaison capacity between the Director of the Office of Foreign Missions, the Staff and high-ranking officials within and outside the Department.

Advises other staff officers on actions taken, on decisions made, and the Director's views regarding important matters and problems with which they are concerned. Assures that supervisor is kept current and fully informed on matters under discussion or consideration with such offices and personally follows up on action requested and keeps the Director currently advised.

Responsible for receiving callers, in person and by phone, from important officials of foreign countries and the U.S. Government, ascertaining the nature and importance of their calls and refers to supervisor only those which, in his/her judgment, cannot or should not be referred to other staff officers or personally handled.

Receives and makes proper disposition of incoming material referred to the Director, screening and submitting only those which, in his/her judgment, require the Director's personal attention. Refers other documents to appropriate staff officer for action and follows up action as necessary.

Takes and transcribes dictation on sensitive high level matters for the Director.

As requested, on own initiative, makes careful and exhaustive searches for information difficult to obtain, compiles data, and makes preliminary analyses.

Has responsibility for carrying out special and confidential assignments for the Director, which require a high degree of tact and diplomacy, a comprehensive knowledge of the operation of the Department and problems with which the Director is concerned, and a personal knowledge of the Director's views.

Factor 1—Knowledge required

A basic foundation of administrative concepts and practices to perform independently such duties as required to facilitate timely and efficient communications between the Office of Foreign Missions and other offices in the Department and other government agencies and to determine when new procedures are needed.

Knowledge of the views of the Director sufficient to enable the incumbent to perform duties such as the development of materials needed for meetings.

Knowledge of the substantive issues monitored by the Director as they relate to the overall administrative structure of the Department.

Skill in advising and instructing other secretaries concerning such matters as reports, correspondence and other tasked items.

Skill in taking and transcribing dictation.

Factor 2—Supervisory controls

The Director of the Office of Foreign Missions, establishes the overall objectives and priorities of the office in carrying out its foreign missions responsibilities. The secretary plans and carries out the foreign missions related work of the office and handles problems and deviations in accordance with established instructions, priorities and policy and the accepted practices of the occupation. The secretary is frequently required to handle office emergencies and to resolve situations requiring initiative in determining methods to use and approach to be taken based on established objectives. The methods used by the secretary are almost never reviewed in detail. Completed work is evaluated for adequacy, appropriateness and conformance to established policy. By its very nature, much of the work cannot be reviewed in detail.

POSITION DESC... ...tions on the Back

S-55211

2. Reason for Submission: [ ] Redescription [ ] Reestablishment [X] New [ ] Vacant [ ] Other
Explanation (Show any positions replaced)

4. Employing Office Location: D.C.
5. Duty Station: D.C.
6. CSC Certification No.
7. Fair Labor Standards Act: [ ] Exempt [X] Nonexempt
8. Employment Agreement Required: [ ] Yes [X] No
9. Subject to IA Action: [ ] Yes [X] No
10. Position Status: [X] Competitive [ ] Excepted (Specify)
11. Position is: [ ] Supervisory [ ] Managerial [X] Neither
12. Sensitivity: [X] Critical [ ] Noncritical [ ] Nonsensitive
13. Competitive Level Code: 312 C.O
14. Agency Use: SC:9:SD

15. Classified/Graded by	Official Title of Position	Pay Plan	Occupational Code	Grade	Initials	Date
a. Civil Service Commission						
b. Department, Agency, or Establishment	Secretary (Steno, ...pl.)	GS	318	7	WM	1/6/93
c. Bureau						
d. Field Office						
e. Recommended by Supervisor or Initiating Office	SECRETARY (STENO)	GS	318	08		

16. Organizational Title of Position (if different from official title)
17. Name of Employee (if vacancy, specify)

18. Department, Agency, or Establishment: Department of State
a. First Subdivision: Office of the Under Secretary for Management
b. Second Subdivision: Office of Foreign Missions
c. Third Subdivision
d. Fourth Subdivision
e. Fifth Subdivision

19. Employee Review: This is an accurate description of the major duties and responsibilities of my position — Signature of Employee (optional)

20. Supervisory Certification. I certify that this is an accurate statement of the major duties and responsibilities of this position and its organizational relationships, and that the position is necessary to carry out Government functions for which I am responsible. This certification is made with the knowledge that this information is to be used for statutory purposes relating to appointment and payment of public funds, and that false or misleading statements may constitute violations of such statutes or their implementing regulations.
a. Typed Name and Title of Immediate Supervisor — Signature — Date 1/7/93
b. Typed Name and Title of Higher-Level Supervisor or Manager (optional) — Signature — Date

21. Classification/Job Grading Certification. I certify that this position has been classified/graded as required by Title 5, U. S. Code, in conformance with standards published by the Civil Service Commission or, if no published standards apply directly, consistently with the most applicable published standards.
Typed Name and Title of Official Taking Action: William Camp, Director, PER/PPM
Signature: Myra A. Martin for — Date 1/6/93
22. Position Review

	Initials	Date	Initials	Date	Initials	Date	Initials	Date	Initials	Date
a. Employee (optional)										
b. Supervisor										
c. Classifier										

23. Standards Used in Classifying/Grading Position: GS 318

Information for Employees. The standards, and information on their application, are available in the personnel office. The classification of the position may be reviewed and corrected by the agency or the Civil Service Commission. Information on classification/job grading appeals, and complaints on exemption from FLSA, is available from the personnel office or the Commission.

24. Remarks.
WT B filled concurrently with h. S-55210-GS-318-7

25. Description of Major Duties and Responsibilities (see attached)

Factor 3—Guidelines

Guidelines include a large body of unwritten policies, precedents and practices which are not specific and which deal with matters relating to judgment, efficiency and relative priorities rather than with procedural concerns. They include the policies, priorities, decisions and commitments of the Director of the Office of Foreign Missions in cases that are not completely analogous to one another. The secretary applies and adapts guidelines to specific problems for which the guidelines are not already applicable.

Factor 4—Complexity

The work includes various duties requiring difficult and unrelated processes and methods. It is necessary to keep track of many different activities at once. Decisions regarding what needs to be done, and how it should be done, are based on an understanding of the duties and commitments of the supervisor. Chosen courses are selected from many alternatives.

Factor 5—Scope and Effect

The secretary serves an office whose decisions directly affect a wide range of U.S. governmental activities, including the operations of other agencies, and U.S. foreign policy. The secretary ensures that the office's responsibilities are carried out by modifying procedures to accomplish goals which significantly affect the mission of the office. The secretary frequently serves as a liaison between the Director of the Office of Foreign Missions, other staff, and other officials, both inside and outside the Department.

SECRETARY-STENO, GS–8

Introduction

This position is located in the Office of the Under Secretary for Management, Office of Foreign Missions (M/OFM). Incumbent serves as secretary to the Chief of Operations and functional deputy in the Office of Foreign Missions.

Duties

Receives and makes proper disposition of telephone calls coming into the office, referring to supervisor only those which in incumbent's judgment, cannot or should not be referred to others or personally handled. In this connection, incumbent makes available, as necessary, background or informational material to which the supervisor may wish to refer.

Follows up and assures proper execution of all commitments made and obligations incurred in telephone conversations, personally making necessary contacts with officials and individuals concerned.

Maintains the calendar of supervisor, establishing priorities and assuring that all obligations are met. Makes arrangements for meetings and conferences, as required. As necessary prepares briefing material for supervisor's use and informs officials called to such meetings of subjects to be discussed.

Reviews incoming correspondence addressed to supervisor, routing to other officers, bringing to supervisor's attention correspondence requiring immediate action. Often must use initiative to locate specific information needed by supervisor and arrange for its acquisition.

Checks outgoing mail for accuracy, form, signature and clearance. As necessary, obtains clearances through personal contact or by telephone.

Takes shorthand dictation and transcribes in final form a variety of correspondence, letters, reports, studies, etc. On own initiative, or as a result of brief oral instructions, personally drafts letters, and memoranda, typing in final form for signature of supervisor.

Maintains time and attendance cards for the office.

During absence of supervisor or when supervisor is engaged in consultation, maintains flow of work through the office and is alert to note significant matters which require immediate attention by other members of staff or by supervisor upon return.

Establishes and maintains office files, correspondence reports, publications and other documents including sensitive security material and in this connection, sets up and maintains necessary control records as may be required. Assists supervisor in complying deadlines by maintaining records of due dates of reports and other action items.

As required, acts as back-up and replacement for the Director's secretary. This includes maintaining the Director's calendar, establishing priorities and assuring that all obligations are met.

Skill in adapting procedures to emergency situations and in recognizing how and when certain procedures and directives will be confusing to others.

Factor 1—Knowledge required

Knowledge of the duties, priorities, commitments, policies and program goals of the office to perform assignments such as assembling information to be used for reports or responses to inquiries, to compose correspondence not requiring a technical knowledge.

Knowledge of the Chief of Operations' views and goals. Clear understanding of the policies and program objectives of the Office of Foreign Missions and their inter-relationships with the Department and other Government agencies.

Knowledge of substantive programs of the office as related to clerical and administrative support functions.

Knowledge of grammar, spelling, punctuation and required formats.

Skill in taking and transcribing dictation. A qualified stenographer is required.

Skill in operating a typewriter and WANG mini-computer system.

Factor 2—Supervisory controls

The supervisor established the overall objectives of the work based on the priorities and needs of the office. The incumbent is frequently required to handle office emergencies and to resolve situations requiring initiative in determining methods to use and approach to be taken based on established objectives. The work is only reviewed for its general effectiveness.

Factor 3—Guidelines

Guidelines include the policies, priorities, and commitments of the Chief of Operations the administrative policies and procedures of the office; and standard office practices. Many situations are not covered by the guidelines, and the incumbent may be required to use own judgment in interpreting and adapting guidelines to specific situations.

Factor 4—Complexity

The work includes various duties requiring difficult and unrelated processes and methods. It is necessary to keep track of many different activities at once. Decisions regarding what needs to be done, and how it should be done, are based on an understanding of the duties and commitments of the supervisor. Chosen courses are selected from many alternatives.

Factor 5—Scope and effect

The secretary serves an office whose decisions directly affect a wide range of U.S. Governmental activities, including the operations of other agencies and U.S. Foreign Policy. The secretary ensures that the office's responsibilities are carried out by modifying procedures to accomplish goals which significantly affect the mission of the office.

Factor 6—Personal contacts

Contacts are with high-level officials within the Department, other government agencies and from foreign embassies and business executives, in a somewhat unstructured setting.

Factor 7—Purpose of contacts

To promote the efficient operation of the office, incumbent ensures that reports and responses to inquiries are submitted in a timely fashion.

Factor 8—Physical demands

The work is mostly sedentary, but requires some walking in the building and the carrying of light objects, including files, books and papers. No special physical qualifications are required.

Factor 9—Work environment

The work is performed in an office setting.

Question 2. How many personnel are currently on board in the OFM and briefly describe their duties. In November of last year in a briefing to my staff, Department representatives indicated that they anticipated that a retiring For-

eign Service officer would be appointed Director of OFM. Provide for the record the vita on the Director of OFM.

Answer. The following personnel are on board at this time with a general description of their duties:

Position	*Duties*
Director	Overall direction of the office, both administrative and policy formulation and implementation.
Deputy Director	Assist the Director in the above duties.
Secretary	Provide full range of secretarial duties.
Operations Officer	Deal with the day-to-day specific issues and questions that come to the office.
Contract Lawyer	Deal with legal matters.

A copy of the Director's vita is attached.

JAMES E. NOLAN

Mr. Nolan was born on December 2, 1931, in Washington, D.C. where he received his early education. After receiving a Bachelor of Arts degree from the Catholic University of America in 1955, Mr. Nolan served in the United States Army before entering on duty with the FBI in June 1958.

Following assignments in Florida, California and New York, Mr. Nolan was assigned in 1969 to FBI Headquarters, Washington, D.C.

Mr. Nolan held various positions in the Intelligence Division before he was designated the Inspector-Deputy Assistant Director of that Division in April 1980.

Mr. Nolan is a 1975 graduate of the National War College.

Mr. Nolan resigned from the FBI on February 26, 1983, to accept his present position at the Department of State, as Director of the Office of Foreign Missions.

Question 3. What contracts for personnel or services has the Department entered into for the operation of the OFM? What additional contracts does the Department anticipate entering into to carry out the missions of the OFM?

Answer. The Office of Foreign Missions has completed one contract that called for a study of the type of data base and information access system needed to address issues and problems. A second contract is under negotiation that would provide for a services and travel bureau for foreign missions. A third contract will be issued for the software package for the computer programing for the data base to be established.

Question 4. Distinguish between the duties and responsibilities of the OFM and the Office of Protocol.

What direct contact between a foreign mission and the OFM is currently required. Is all contact between a foreign mission and the OFM through the Office of Protocol? If not, describe the instances in which the OFM has or will deal directly with foreign missions.

Why does the Foreign Affairs Manual Circular (FAMC) No. 82-27 (10/15/82) state:

"The Director (of OFM) . . . assists the Office of Protocol, or where appropriate, deals directly with the foreign missions in providing facilitative assistance."

It appears that all contact with foreign missions will continue through the Office of Protocol. Is that correct?

The Conference Report on last year's State Department authorization bill cautioned "that a clear distinction must be made and maintained between the Office of Foreign Missions and the Office of Protocol, since their responsibility may often be conflicting."

How has the Department, through its FAMC made this distinction clear?

Answer. As noted in Assistant Secretary Fairbanks' letter to Chairman Percy dated December 7, 1981, the Office of Foreign Missions will provide guidance in matters involving national security and reciprocity considerations and take steps necessary to assure appropriate treatment after consultation with interested offices of the Department. The Office of Protocol will continue to perform its traditional functions involving relationships with and assistance to all foreign missions in the United States. Depending upon the nature of the measures to be

taken to bring about reciprocity in a particular case, OFM will deal directly with the missions in providing facilitative assistance; however, if the services affected are normally provided by the Office of Protocol, that office will provide the assistance, making the necessary adjustments in the degree of services furnished. Prior to and following the formal establishment to the Office of Foreign Missions, the staff of the two offices formed a close working relationship and have communicated daily on a wide variety of matters. Delineation of responsibilities handled by OFM and the Office of Protocol will be defined further as both offices work to carry out the new legislative mandate.

Contacts between the diplomatic missions and OFM are being made directly by OFM, and not through Protocol, in following up on information required in connection with the January 14, 1983 circular diplomatic note requesting information about foreign government-owned property in the United States as well as foreign government personnel posted here. In those cases where diplomatic missions will be required to obtain services not previously provided through the Department of State, OFM will communicate directly to the affected embassy the procedures to be followed, and will continue to function as the liaison office in such matters. As the program of reciprocity is implemented, there will be other occasions in which OFM will deal directly with the diplomatic missions.

Question 5. The Conference Report on the 1983 State Department authorization bill went on to enumerate certain responsibilities which were to be moved from the Office of Protocol to OFM, namely:

(1) diplomatic credentials,
(2) state and local government liaison,
(3) certification of immunity status,
(4) waivers of immunity,
(5) assisting in negotiating consular conventions, treaties, and agreements involving diplomatic reciprocity,
(6) providing advice and assistance to diplomatic missions.

Have these responsibilities been transferred, and, if so, provide for the record the directive which accomplished this. Which permanent, full-time positions in the OFM are charged with these responsibilities?

Answer. All of the responsibilities enumerated in the Conference Report have not been moved from the Office of Protocol to OFM. Prior to passage of the Act and subsequent thereto, the Department of State advised Members of Congress and staff members that Protocol would continue to perform its traditional functions involving relationships with and assistance to all foreign missions in the United States. The OFM is active in all these areas when matters in which benefits and privileges are to be withhold or provided as a matter of reciprocity are concerned.

Question 6. Which permanent full-time positions provide facilitation, expeditor, and related escort functions for foreign missions, particularly with respect to requests for office space, staff housing, and other building uses in the District of Columbia.

Answer. Escort and facilitative assistance is provided by the Director of the International Center Project, in the ICP office, and the Associate Chief of Protocol and three Protocol officers in that office. One Office of Foreign Missions operations officer and one OFM legal consultant deal with property acquisition requests from foreign missions.

Question 7. I understand the Department has held several meetings with District of Columbia officials, National Capital Planning Commission staff, and the law firm of Wilkes and Artis to determine new D.C. zoning rules of procedures, zoning regulations, and map.

Describe the status of this process and timetable.

Has the U.S. Secret Service and Metropolitan Police Department been involved in those meetings? Why or why not? Have they been consulted?

Answer. Following enactment the Department began organizing and participating in a series of meetings with District of Columbia and National Capital Planning Commission officials to consider means of implementing Section 206 of the Act. As a result, amendments have been proposed to the D.C. Zoning Regulations and Supplemental Rules of Practice and Procedure (Rules) before the D.C. Board of Zoning Adjustment (BZA) to bring them into conformity with Section 206 of the Act.

On February 2, 1983, the BZA approved the proposed Rules and forwarded them to the Zoning Commission for action. On February 14, 1983, the Zoning

Commission declined to approve a Department petition to adopt proposed implementing amendments on an expedited basis, but scheduled public hearings for April 11 and 14, 1983, to consider the proposed amendments to the Zoning Regulations and BZA Rules.

The NCPC currently has under consideration a recommendation by the Executive Director that the Commission authorize the presentation of proposed modification to the Foreign Missions and International Agencies element of the Comprehensive Plan for the National Capital, dated February 17, 1983 to appropriate Federal, District of Columbia, regional and local authorities and other interested organizations and individuals for comment and recommendations pursuant to Section 4(e) of the National Capital Planning Act of 1952, as amended.

The U.S. Secret Service and Metropolitan Police Department are routinely consulted regarding chancery location issues under the Act.

Question 8. Has a replacement Federal representative been appointed to the D.C. Zoning Commission for consideration of the revised rules of procedure and regulations with respect to foreign mission chanceries? Why or why not?

Such a replacement was authorized by the Foreign Missions Act. Does the Department anticipate the appointment of a replacement federal representative? When?

Answer. The question of a Presidential designation of a Federal agency representative to serve as a member of the Zoning Commission and Board of Zoning Adjustment under the provisions of Section 206(i) of the Act is under consideration and a decision is anticipated soon.

Question 9. How many sites at the International Center remain to be leased?

Name the countries which the Department has had recent expressions of interest or discussions.

Is the Office of Foreign Missions responsible for soliciting interest of foreign missions in the International Center and facilitating their location there?

If not, what office has this responsibility and what is its relationship to the OFM? Show this relationship on an organization chart detailing lines of authority to the Secretary.

What is the status of the lease with Libya for one of the sites at the International Center?

Does the Department have a policy concerning the term of future leases to be entered into with foreign missions at the International Center?

Last year, in testimony before the Senate Foreign Relations Committee, the Department indicated it expected all of the sites at the International Center, except for the Northwest Quadrant expansion, to be "committed" by the end of 1982.

Has this occurred? Name the sites and countries "committed," describe the nature of the commitment, and the date when a formal lease will be executed for each site.

How many of the foreign missions to which International Center sites are "committed" are lesser-developed countries, which have encountered difficulty in finding affordable sites in the Washington real estate market?

Answer. There are 6 sites available for lease on the original southwest quadrant and 9 sites on the northwest quadrant.

The following countries have expressed interest in International Center sites:

Argentina	Mexico
Bangladesh	Nigeria
Bulgaria	Pakistan
Chile	Paraguay
Cyprus	Romania
Finland	Somalia
GDR	South Africa
Guatemala	Spain
Korea	Sweden
Lesotho	Thailand
Liberia	Tunisia
Madagascar	Uganda
Malta	UAE

The Office of Protocol is responsible for soliciting interest of foreign missions in the International Center, in cooperation with the Director of the Center Proj-

ect. Once a mission expresses firm interest, the Office of Foreign Missions reviews its request, following established procedures which take into account reciprocity and other aspects of the Federal interest.

The lease that Libya signed for a site at the International Center was terminated in June of 1982.

Terms of leases are determined on the basis of reciprocity.

Sites 1 through 14 comprise the Southwest Quadrant. The status of the sites is:

1. Israel	Leased.
2. Ghana	Leased.
3. Open	
4. Qatar	Leased.
5. GDR	Under negotiation.
6. Jordan	Leased.
7. Bahrain	Leased.
8. Kuwait	Leased.
9. Open	
10. Yemen	Leased.
11. Open	
12. Bulgaria	Interested.
13. Romania	Interested.
14. Spain	Interested.

As the list above indicates, the Center's tenants include countries in various stages of economic development. The Department's policy is to encourage this diversity, and especially to encourage less developed nations and nations with smaller missions to lease in the ICP.

Question 10. What expressions of interest has the Department received for the "International Village" proposal in Southwest Washington? Describe the nature and size of the proposed use and country or agency expressing interest.

I notice that the consultant firm is now referring to this proposal as the "U.S. International Center," a rather confusing term in view of the existing International Center at Connecticut Avenue and Van Ness Streets.

Have any international organizations, such as INTELSAT which is currently located in Southwest Washington, expressed interest in relocating or expanding their office space in the proposed International Village?

Describe the Department's view of the purpose and uses of the International Village and distinguish those uses from those of the International Center.

Answer. The proposed "International Village" or "U.S. International Center" is only in the conceptual stage within the Federal City Council. It is too early to judge the scope of interest. The FCC is about to begin visits to foreign missions to determine their interest, and future planning is expected to reflect the results of these inquiries.

The Department may have an interest, as may other foreign affairs agencies, in maintaining office space in the project.

We have expressed our concern with the use of the name "U.S. International Center" and the possible confusion with the already named International Center. In response to that objection, a review has begun and options for renaming the "U.S. International Center" are under consideration.

So far, there have been no international organizations that have expressed an interest in expanding or relocating in the "International Village." However, the planning process will address the needs of international organizations. The new INTELSAT headquarters building at the existing International Center will have enough space to allow for needs of the next 10 years; we do not expect INTELSAT to require additional space.

The existing International Center at Connecticut and Van Ness is currently designed to accommodate 23 chanceries which will be the primary diplomatic facility for each mission. The proposed "International Village" is purportedly to provide space for auxiliary chancery sections such as offices for commercial programs, student affairs, visa operations, exhibitions and other public functions. The proposed "International Village" could make space available to the 140 foreign missions and 40 international organizations in Washington.

Question 11. Has the Department perceived any changes in treatment accorded U.S. missions abroad as a result of the establishment of the Office of Foreign Missions?

Describe any noteworthy changes in particular foreign countries.

Answer. It is anticipated that such changes will be forthcoming as the Office of Foreign Missions becomes fully operational.

There are, however, two early illustrations of the Act's effectiveness. One country wishes to purchase a new chancery in Washington. For 17 years the United States has been trying to settle the expropriation issue of our chancery in its capital, and to make suitable permanent property arrangements there. The linkage which under the Act the Department has been able to establish between successful resolution of the two issues has been a prime element in the current progress of the onging negotiations in the other capital.

In July another country passed a law which has made it impossible for our Embassy in its capital to dispose of many official and privately owned vehicles. The cost to the U.S. Government of re-exporting these vehicles is probibitive. The Department has brought to the attention of the Embassy in Washington the steps OFM could implement under the Act in limiting embassy employees' ability to dispose of vehicles here; this leverage is proving effective as negotiations progress. All concerned know we will take reciprocal action if favorable resolution is not shortly forthcoming.

Question 12. Will the OFM act as a service organization similar to those in several foreign countries?

How many foreign missions does the Department anticipate will be required to go through the OFM for many of their operational needs?

Answer. The Office of Foreign Missions is in the process of contracting with a professional management firm to create, staff, and operate a services organization. A study is underway to determine which countries, on the basis of reciprocity, will be required to obtain basic services through this organization.

Question 13. Has the Department engaged certain service providers in anticipation of this function? Name types of service.

How does the OFM propose to notify local business and governments of terms and conditions imposed on certain foreign missions?

Have any discussions, meetings, or letters been exchanged between the Department and the Washington business community concerning the implementation of the Foreign Missions Act?

Why or why not?

Do you anticipate future dialogue with the Washington business community? Specifically which organizations and businesses?

Answer. The Department is in the process of contracting with a professional management firm which in turn will engage subcontractors to provide services to selected foreign missions. Types of service supplied will vary from mission to mission depending on the reciprocal circumstances faced by our embassies overseas, but could include all building construction and maintenance services and the hiring of local personnel. In addition, requests for all utilities could be required to come through OFM.

The OFM intends to inform businesses and governments of the ramifications of the Foreign Missions Act on their operations: in some cases this activity has already begun. The OFM has met with representatives of the National Association of Realtors and of the Washington Board of Realtors and is working with them to develop materials to be provided their members on the Act. Meetings with PEPCO, VEPCO, Washington Gas Light, C&P Telephone, and AT&T have also taken place to work out mechanisms for coordination and cooperation. The Office of Foreign Missions recognizes that consultations of this kind are essential to the success of its operation, and plans to approach other organizations as appropriate.

Question 14. Has the OFM requested a property inventory of foreign missions here and in New York?

Why or why not?

Do you anticipate doing so? When?

Answer. In diplomatic notes dated January 14 in Washington and January 19 in New York, the Department requested complete listings of properties held through lease or purchase by all foreign governments.

Question 15. Which international organizations are likely to have terms and conditions imposed on them pursuant to the Foreign Missions Act?

Answer. The Secretary of State has determined that missions to the United Nations are covered by provisions of Section 205 of the Act. It is not currently anticipated that other international organizations will be brought under the Act.

Question 16. Describe the types of terms and conditions currently under consideration for imposition on certain foreign missions. Describe the procedures currently being considered by the OFM to impose such terms and conditions.

Answer. In addition to steps already taken toward enforcing reciprocity in real property questions, it is the intent of the Office of Foreign Missions to impose other terms and conditions on foreign missions in this country on the basis of reciprocity. OFM has undertaken an extensive analysis of conditions in which U.S. missions operate in foreign capitals and is in the process of determining which terms and conditions will be imposed upon each country represented here.

STATE DEPARTMENT'S RESPONSES TO ADDITIONAL QUESTIONS SUBMITTED BY SENATOR PELL

Question 1. What is the funding level for the Bureau of Human Rights and Humanitarian Affairs for FY 1984? How does this compare to FY 1983?

Answer. The Bureau of Human Rights is not a line item in the Congressional Budget for the State Department. Its budget is a small portion of the "S" Area allotment. In FY 1982 this amounted to $240,000 in expenditures and administrative support and about $1,000,000 in salaries. Under the FY 1983 "S" area financial plan, expenditures will be about the same with some additional money for automation. We would anticipate similar funding levels in FY 1984.

Question 2. How long a backlog does the Human Rights Bureau have in making recommendations on asylum cases?

Answer. There are approximately 10,000 cases in various phases of the Bureau's review process. This includes about 4,000 cases that were received by the Department of State last month, which is the largest volume of cases ever received in a single month.

Question 3. Does the Bureau have adequate resources to intervene effectively in the cases of political prisoners brought to its attention?

Answer. Yes.

Question 4. What level of resources is needed to allow the Bureau to handle efficiently its asylum and political prisoner caseload?

Answer. As noted above, the current level of resources is sufficient to handle the political prisoner caseload. The day to day responsibility is in the hands of the officer who covers each region of the world, and his or her superior at the office director and deputy assistant secretary level. The level of resources needed to allow the bureau to handle its caseload varies over time. The asylum caseload has increased greatly over the past years. Last month, as noted above, the largest volume of cases ever received in a single month was sent to the Department of State by the INS. A large increase in the caseload would require an increase in manpower attending to it; precisely what level of staffing would be necessary might depend on arrangements with the INS as well as management efficiencies within the bureau. We are currently engaged in discussions within the Department, and with the INS, about the handling of asylum cases. These discussions will enable us to determine the staffing level that might be required and how to achieve it.

Question 5. From which international organization do we derive the greatest benefit from our membership? From which the least?

Answer. As a practical matter this question can be best answered by distinguishing between the general functions performed by international organizations and by determining which of these functions are of greatest importance to U.S. interest. International Organizations can be grouped according to these functions: political and peacekeeping, economic, technical, humanitarian, and development assistance. Grouped under the political and peacekeeping function are the U.N. itself and the peacekeeping forces. The World Bank, the International Monetary Fund, GATT and the several commodity organizations serve global economic functions; while such organizations as the International Civil Aviation Organization (ICAO) and the Universal Postal Union (UPU) provide for the orderly conduct of essential, global services. Organizations serving primarily humanitarian functions include UNICEF, the U.N. Disaster Relief Organization (UNDRO), U.N. High Commissioner for Refugees (UNHCR), World Food Program (WFP), etc. Although many organizations provide developmental assistance as a secondary function, the U.N. Development Program (UNDP) is devoted solely to this function.

The international organizations that are most important to U.S. interests are those concerned with the political, peacekeeping, economic and technical functions. Those concerned with humanitarian and development assistance functions are also important but many of these functions conceivably could be carried out bilaterally. However, relying solely on bilateral assistance for satisfying humanitarian and developmental needs would, in many cases, be less efficient and more costly than relying on multilateral institutions.

Question 6. What benefits do we derive from our membership in UNESCO? Which UNESCO programs do we consider particularly valuable? Please explain?

Answer. The United States derives both political and program benefits from its membership in UNESCO.

UNESCO is a major forum for U.S. multilateral diplomacy. U.S. interests are best protected by participating vigorously to avoid conceding the ideological/political struggle within UNESCO to those with opposing ideals which could contribute to a world environment increasingly hostile to U.S. interests.

As one of the most advanced countries in the world in the sciences, education, communications and social sciences, the United States has been able to exercise international leadership in these fields which is an important aspect of U.S. multilateral diplomacy. This leadership has had a secondary effect of propagating U.S. values, methods and technology in a large number of developing countries. In education for example, U.S. participants have played a leading role in the formulation of policy as well as in the planning of UNESCO education projects (of which there are 350) around the world. In the natural sciences, U.S. scientists often take the lead in UNESCO's programs in oceanography, geology, water resources and ecology, promoting U.S. ideas, techniques and products. The United States is represented on the governing councils of all four programs. Our scientists also benefit directly and substantially from the large-scale international scientific data banks and exchanges which exist in those four disciplines.

With respect to communications, the United States and its allies have made headway in defending free press values against those who seek to impose a New World Information and Communication Order (NWICO). Especially in the last 2 years, we have been able to convince moderate Third World states and the UNESCO Secretariat of the seriousness of our views on this issue and to channel their interest into the practical orientation of the International Program for the Development of Communications, a U.S. initiative. In the process, we are improving the international environment for American free press values, as well as for our news agencies, exporters and other information industries. A quantifiable benefit to the United States is the copyright protection for U.S. book and film exports, which total over $1 billion a year.

Finally, UNESCO provides a framework for private sector and NGO consultations and cooperation. This is important for the United States, where so much of the educational and scientific activity is private sector. The American Chemical Society and the American chapter of the International Council of Scientific Unions are particularly active private sector participants.

In general, we consider the programs of the natural sciences and education sectors the most valuable of all UNESCO's many programs. They provide much needed information and technical skills to developing countries while promoting U.S. values and interests through the participation of U.S. scientists and educators.

Question 7. What, in the view of the Administration, should be the role of the U.S. Commission on UNESCO? What would you like to see the Commission do?

Answer. The National Commission has a double mandate: to advise the U.S. Government (not just the Department of State) on all matters relating to UNESCO and to promote the goals and objectives of UNESCO in the United States. The second mandate has an operational character and involves carrying out activities funded in part by the State Department, other U.S. Government agencies, UNESCO, and private sector groups.

We would like to see the Commission play a leadership role in the private sector devising programs and strategies which will advance U.S. values and interests and which can be implemented via the UNESCO program.

Question 8. Why has the Administration proposed zeroing out the funding for the U.S. Commission?

Answer. This year there was an across the board cut in the IO Bureau budget. After scrutinizing all demands against available resources, it was decided the

UNESCO National Commission was of lower priority than other responsibilities. We do not foresee the disappearance of the Commission's Secretariat, however. The Commission remains important to us, and efforts are being made to transfer its operations to the private sector where it more properly belongs. The Department of State plans to assist the Commission during its transition period by absorbing the Secretariat into the Bureau of International Organization Affairs and by continuing to provide financial support for travel and statutory meetings of the Commission (Executive, Membership, Nominations and Annual).

STATE DEPARTMENT'S RESPONSES TO ADDITIONAL QUESTIONS SUBMITTED FOR THE RECORD

Question 1. By the end of 1983, 49 posts will have been examined for the need for increased security. Of these, 10 posts will have completed security enhancement projects. The FY 1984 request contains over $18 million for security enhancement projects.

During the past 4 years, how much funding has been authorized for security enhancement projects?

Answer. Funding has been authorized for the Security Enhancement Program as follows:

Fiscal years:	*Millions*
1980	$6.1
1981	35.8
1982[1]	23.0
1983	25.0
Total	89.9

[1] The initial authorization for fiscal year 1982 was $25 million. To meet urgent security requirements, not covered by the Security Enhancement Program, $2 million was reprogrammed from Security Enhancement.

Question 2. Of this amount, how much has been actually appropriated and spent?

Answer. The full amount of the authorizations listed above, $89.9 million, has been made available to the Department. Through February 28, 1983 the following amounts have been obligated and expended: Obligations, $66.0 million; expenditures, $48.7 million.

Question 3. When will this project be completed?

Answer. It is currently projected that the final year of funding for this program will be FY 1985. Because of the long duration of some of the construction projects, funds have been, and presumably will continue to be, made available for 2 years. All work under security enhancement is scheduled to be completed by the end of FY 1986.

Question 4. Last year, Congress created within the Department an Office of Foreign Missions. One of the primary objectives of this office is to obtain better treatment for our missions and personnel abroad.

What is the current status of the Office of Foreign Missions?

How many persons are now on board?

Provide for the record a list of the accomplishments of that office.

Can you identify savings to the U.S. Government which have been realized as a result of the actions of that office?

Answer. The Office of Foreign Missions has been operational, though initially on a modest scale, since October 1, 1982. At present four of the six authorized positions for the office are encumbered, and recruitment is under way for the remaining two positions. A legal consultant works fulltime in the OFM, and two attorneys from the Office of the Legal Adviser assist when required. Liaison officers representing eight other government agencies are available to OFM on a part or full time basis.

The first achievement of the Office of Foreign Missions has been the establishment of itself as an office. In addition liaison has been established with representatives of nongovernmental agencies essential to the successful fulfillment of the OFM's mandate; these organizations include VEPCO, PEPCO, AT&T, C&P

Telephone, the National Association of Realtors, and the Washington Board of Realtors.

An analysis of problems worldwide amenable to solution through the judicious exercise of the powers granted the Secretary by the Foreign Missions Act is well under way.

Diplomatic notes have been sent to all foreign missions in Washington and New York, requesting that comprehensive lists of real property holdings be provided. This information, essential to OFM's ability to exact reciprocity abroad, is currently being analyzed and prepared for inclusion in the OFM data base.

When it becomes fully operational, the Office of Foreign Missions anticipates being able to report specific examples of savings realized. We are aware of the Act's potential for rectifying fiscal asymmetries which the U.S. Government has endured in its overseas operations, and can assure the committee of OFM's careful attention to this matter.

Question 5. The Foreign Service Retirement system is considerably more generous than the Civil Service system. In light of the proposed extension of Civil Service retirement age, should Foreign Service retirement also be tightened?

Answer. The Foreign Service retirement system differs from that of the Civil Service in two primary respects: an earlier retirement age and a slightly higher annuity formula.

The Foreign Service permits voluntary retirement at age 50 after 20 years of service in contrast to the "55/30" requirement of the Civil Service. The earlier Foreign Service retirement age is necessary because of the up-or-out Foreign Service promotion system. A Foreign Service officer who is not promoted to the next higher class or from a specified group of classes within a prescribed time period is retired from the Service. Similarly, a Foreign Service officer whose performance, although adequate, is judged to be below the standard for his/her class is retired.

The Foreign Service system provides an annuity of 2 percent x years of service x high-3 average salary. In contrast, the Civil Service system multiplies the high 3 average salary by 1.5 percent for the first 5 years of service, 1.75 percent for the next 5 years of service, and 2 percent thereafter. Application of this formula results in an annuity under the Foreign Service system of 60 percent of average salary after 30 years of service. A Civil Service annuity based on identical length of service would equal 56.25 percent of average salary. The Foreign Service system does not appear very generous to an officer forced to retire at an "early age" for failure to be promoted. Under the Civil Service, the same individual would be able to continue his/her career at the same grade and continue to build annuity by the credit for additional years of service. From this perspective, it is somewhat misleading to draw a blanket conclusion that the Foreign Service retirement system "is considerably more generous than that of the Civil Service."

Federal retirement system costs are increasing rapidly and are not met by employee and matching agency contributions. Direct government appropriations in growing and unacceptable amounts are required to keep the system solvent. Changes, however unwelcome, are necessary and will be needed in the Foreign Service system as well as the Civil Service.

Technically speaking, the plan proposed by the Administration does not propose a mandatory extension of the Civil Service retirement age. Rather, it would impose penalties and disincentives for early retirement. Thus, under the plan, which is still being developed, the net effect may be that many individuals will retire later. but the plan does not make this mandatory.

In a number of respects, features of the Civil Service and the Foreign Service retirement systems are identical. These include the percent of salary paid in by the employee and by his or her agency, the use of the high 3 years' salary to determine annuity level and the formulas for application of Cost of Living Adjustments. In other respects, as described above, the Foreign Service is different, mostly because of its earlier retirement age and mandatory up-or-out features. Moreover, given these differences there are resulting consequences for the impact of some of the standard features. For instance. the earlier the retirement, the more serious the consequences of possible restrictions on application of Cost of Living Adjustments.

We believe that some features of the Administration's plan can be applied to the Foreign Service and perhaps will need to be, if the decision is made by the Congress to apply them to the Civil Service. In other cases, because of the differences between the systems, the provisions that could be applicable to the Civil Service would cause considerable difficulty for the Foreign Service. We are working closely in the developmental process to ensure that those changes which are applied to the Foreign Service do not undercut the basic premises of the Foreign Service, which have been recently reaffirmed in the Foreign Service Act of 1980.

Question 6. After 20 years of service, members of the armed services, police and fire departments may retire no matter what their age. What would be the cost to the U.S. Government to provide Foreign Service officers with a similar right of retirement, if at least 10 years of their service occurred overseas?

Answer. The question of a straight 20-year service requirement for retirement eligibility for the Foreign Service is one that has been reviewed by various bodies throughout the years. The Murphy Commission (the Commission on Organization of the Government for the Conduct of Foreign Policy) looked at this proposal in detail in 1975 and concluded that lowering retirement ages was inconsistent with demographic and longevity trends and decided not to recommend such a change.

When the Foreign Service Act of 1980 was being developed, this issue was addressed but was not included in the proposal because the judgment was made that it would be difficult, if not impossible, to reduce retirement eligibility requirements, given the escalating costs of annuities.

Assessment of the impact of such a proposal rests on assumptions about individual behavior which must be speculative. However, if we assume adoption of the proposal would result in a lowering of the average retirement age in the Foreign Service by 2 years—from the current age 55 to 53—we estimate, on a rough basis, that it would increase the normal cost of the system by 2.2 percent of active payroll and increase the unfunded liability by $162.3 million. This would mean that appropriations to the fund under section 821(a) of the Act would be increased by $10.8 million to amortize this unfunded liability and that appropriations under section 821(b) for the residual normal cost would be increased by $9.2 million.

The technical impact of the proposal would be that members would retire earlier on lower annuities, but receive them longer. More importantly, over the long run, the proportion of annuitants to active members would increase.

Question 7. Over the last 2 years, what has been done in the Department to strengthen its affirmative action programs?

Answer. The Department retains its strong commitment to equal employment opportunity and affirmative action. We have persisted with our two affirmative action hiring programs and recruitment efforts to attract minorities and women to Foreign Service careers in order to create a Service representative of the American people as mandated by the Foreign Service Act of 1980. During the past 2 years 105 of 426 (24.6 percent) new officer career candidates have been minorities, while 134 (31.4 percent) have been women.

During the past 2 years, both Secretary Haig and Secretary Shultz have reaffirmed their support for affirmative action through policy statements to all employees. These regularly-based policy statements have been implemented through a variety of actions in addition to the affirmative action hiring programs, including simplification of the examination process to speed candidates' applications, and approval of a five-year affirmative action plan. Secretaries Haig and Shultz have also issued statements on the need to eliminate any form of sexual harassment. Both Secretries met on several occasions with employee special interest groups representing women, blacks, Hispanics and Asian-Americans.

For more effective implementation of affirmative action, the Secretary has delegated day-to-day responsibility to the Under Secretary for Management, for most of the past 2 years, Mr. Richard T. Kennedy, now Mr. Jerome Van Gorkom. The Under Secretary has met periodically with senior managers in the Department to monitor progress on the hiring goals by the Secretary, as well as goals for minority business contracting and other related affirmative action matters. After the Secretary approved the affirmative action plan, the Under Secretary presented the plan to a meeting with all Assistant Secretaries to enlist their support

for it. Both Under Secretaries have also maintained contact with the special interest groups, and participated in both Secretaries' meeting with them.

We have made a conscious effort to give higher visibility to the EEO program. Recently Secretary Shultz personally presented the 1982 EEO Award to Mrs. Virginia Butler, citing her efforts over the past 39 years as an example in promoting equity for all employees. This presentation, as well as many other EEO efforts, was fully reported in the Department's monthly publication for all employees: STATE magazine.

Question 8. How many high visibility or career enhancement positions in the Department are now occupied by minorities or women?

Answer. The Department has never designated specific positions as being "career enhancing" or "high visibility." Since jobs which may be "career enhancing" for some officers may be less so for others, we believe that formal designation would not be meaningful and could be very misleading. Unquestionably, the careers of junior Foreign Service officers are enhanced by early opportunities to serve overseas in their field of specialization, the opportunity to develop language skills, and functional and area expertise. We make particular efforts to insure that officers entering through our affirmative action programs are assigned overseas on their first tours of duty and have the opportunity early in their careers to acquire quickly any skills which they may need in order to be competitive with their peers. First tour officers are assigned to Washington only in exceptional cases and generally at their specific request.

We believe the dramatic increase in the number of women and minorities at the mid-level of the Foreign Service clearly demonstrates that, as a group, they are getting the assignments they need to advance. At FS-2 (the rough equivalent of GS–14) minorities now constitute 10.5 percent of the workforce, compared to 4.7 percent in 1978, while representation of women has gone up from 7.4 percent to 16.2 percent during the same time frame.

Question 9. You have stated that your fiscal year 1984 budget request is a 7.4 percent increase over fiscal year 1983—or approximately 2 percent over the President's overall target for the Government. How do you justify this increase, particularly in light of domestic budget cuts?

Answer. We are requesting an increase of $169 million over the level of the 1983 estimates. One-half of this increase ($85 million) results from implementing a previously approved change in the timing of our payment of assessed contributions to the major International Organizations. This timing change does not constitute an increase in the budgets of these organizations. If this request is not approved, the United States payment will be in immediate arrears.

Without this unavoidable change in our payment schedule, our authorization request would only be about 4 percent greater than the 1983 level.

This level is well within the President's overall budget increase target.

Question 10. Are enough resources (money and personnel) available to do the work of the Department?

Answer. The 1984 budget request of the Department provides not only built-in requirements for such needs as wage and price increases but also provides several programs of crucial importance to the continued strength of our foreign policy.

Accordingly, we believe the budget request before you sufficiently covers our most important current needs, and we fully support the resource levels granted by the President.

However, there are so many pressing resource requirements on the Department's agenda that additional personnel and funds could also be effectively used.

Question 11. Two years ago, the committee received a budget request for fiscal years 1982 and 1983 in which the Department proposed a cut in positions. In this latest request, I am glad to see that you are asking for an increase of 308 positions. Does this reflect a change in the Department's management policy? Where will the bulk of these positions be allocated?

Answer. The increase of 308 positions in the Department's 1984 budget does not reflect a change in the Department's management policy. Rather, it reflects recognition by the President that certain programs of crucial importance to the continued strength of our foreign policy must be implemented. The bulk of the 308 positions will be allocated as follows:

Sixty-one positions for built-in changes, almost entirely for consular and passport workload;

Two hundred forty-seven positions for various program increases;

Fifteen positions for opening three posts in Chengdu, Peoples Republic of China; Bandar, Brunei; and Enugu, Nigeria;

Sixty-two positions to strengthen the substantive reporting and analysis capability of the Department;

Seventeen positions to improve consular and passport activities;

Twenty-five positions for expanded professional development;

Forty positions for information systems;

Thirty-four positions for communications;

Thirty-one positions to strengthen administrative support, primarily to agencies operating overseas; and

Twenty-three positions for security, inspecting, translating, and creating a new property management system for our facilities abroad.

Question 12. In your testimony, you refer to the need to strengthen reporting and analysis of foreign political and economic events. How is the Department working to do this?

Answer. The Department is working to strengthen its reporting and analysis capacities in several ways.

First, with the support of the Congress, we are selectively restoring the most urgent position shortfalls that resulted from the sharp resource cuts of the 1970's. In the period from fiscal year 1981 to fiscal year 1983, this program provided 117 new positions. We are asking for 62 additional positions in our fiscal year 1984 budget.

Second, we are insisting on improved management of currently active reporting and analysis positions. New requirements—a constant factor because of the dynamic nature of international relations—are fulfilled by new positions only after reprioritization and internal reprogramming prove inadequate.

Third, in line with the emphasis of the Foreign Service Act on professional development, we are providing a broad and continuing regimen of training for political and economic officers:

Newly recruited officers are introduced to the Foreign Service with a 7-week program emphasizing written and oral skills.

A 2-week Foreign Service Institute "Analytic Reporting Skills" course is designed to teach junior officers and to sharpen the abilities of more experienced officers in the analytic process.

Junior Officer Rotational Program (JORP) and Junior Officer Reporting and Analysis Program (JRAP) positions offer overseas opportunities for junior officers to participate in the reporting and analysis process.

The language and regional area studies programs of the Foreign Service Institute provide training vital to successful reporting and analysis.

The Mid-Level Professional Development Course devotes 7 weeks of its 5 months syllabus to specialized training in political and economic subjects.

The spectrum of university and war college assignments focuses on the development of greater sophistication and understanding in officers who have demonstrated their abilities in reporting and analysis.

Question 13. Given your experience in the business world, how do you feel that the Department compares to an international corporation in its access to modern management and information resources?

Answer. The Department of State has used modern management techniques in its operation for many years. An excellent example is the data communications system which uses the Department's central computers to verify that visa applicants at Foreign Service Posts can legally enter the United States. This system has been operating continuously for 16 years.

In addition, the Department maintains one of the largest computer based information banks in the world. This system stores the Department's official files on a computer in a form suitable for retrieval by officers at remote locations. The files are electronically cross referenced by subject content and reference number. This system has been in continuous operation for nearly 10 years and contains over 8 million documents.

The Department is taking advantage of the decreasing cost of data processing equipment by implementing systems and procedures which are designed to improve the flow of information throughout the organization. As a start, we have standard minicomputer and word processing equipment throughout the entire Foreign Service. The Department encourages other agencies in the Foreign Af-

fairs Community to use our equipment contract to facilitate this standardization at overseas posts.

To date, we have implemented computer systems for Foreign Service Posts which assist in their administration and provide better support for the consular sections. Other agencies are using this equipment to prepare trade opportunities and commodity reports for subsequent transmission to Washington using the Department's telecommunications facilities.

A new Financial Management System is under development which will take advantage of the equipment currently installed at the posts and which will improve the Department's ability to manage its resources. The Financial Management System is a large project which fully utilizes current data and word processing technology.

The Department is planning to create a unified management data base from its distributed systems. For this to occur, larger central computers must be acquired. These machines will also improve service to existing customers who require access to large complex data files.

Question 14. How is the Department progressing in the implementation of the Foreign Service Act?

Answer. We are very aware of the major role this Committee played in the development and passage of the Foreign Service Act of 1980. It is good legislation and is having a clear, positive result for the Foreign Service. We have recently sent to you our second annual report on implementation of the Act, which we hope provides many of the specifics in which you may be interested. We have also contributed heavily to the implementation study the Committee requested from the GAO.

In general, implementation of the Foreign Service Act is on track, although slower than we would like owing to the complexity of certain areas. While it is hard to quantify the results we estimate that implementation of the Act is approximately 80 percent complete. The new institutions created by the Act are 100 percent in place. We have completed in State about 90 percent of the work on conversions with the remainder being deferred at the request of employees until the end of the conversion period in 1984. With respect to the required new regulations, we have completed about 70 percent of the volume of the work.

The need to negotiate regulations, some of which represent substantial departures from past practices among five agencies and three unions has proved to be very time consuming. There is simply not enough time to develop and negotiate everything at once. We have attached a current summary of the status of regulations issuance. Among the elements of the Act which have not yet been placed into effect, there are two that will be of considerable importance in the coming months. First, we will employ the new mechanism to grant or withhold limited career extensions for the Senior Foreign Service. We are currently discussing procedures for doing this through the selection boards this coming summer and will soon present proposals to AFSA. Second, we have not yet been able to implement the Special Incentive Differential, but we hope to have a proposal to the unions in the very near future.

In the process of implementation, we have found some areas where we think legislative change is desirable. Almost all our proposed changes are minor or technical in nature. This amendment proposal is now undergoing Executive branch clearance, and we hope to be able to submit it to you in the very near future.

Question 15. How do you feel that Department salaries compare to those for similar positions having comparable educational and specialized job skill requirements in the private sector? Do you feel that you are or will be losing qualified personnel due to salary restrictions?

Answer. It is difficult to compare positions in the Department and Foreign Service with positions in the private sector or the academic world. The skills we need to obtain and retain are different from and somewhat broader than those of either an academician or an entrepreneur.

Salaries of mid- to upper-level members of the Foreign Service were raised significantly in October 1980, in conjunction with the passage of the Foreign Service Act, and after recommendations by the Hay Associates study of the Foreign Service and expressions of support by Members of Congress.

Those salary increases, along with the important increases in the salaries actually paid to all senior Federal officials in January 1981 and December 1982,

have produced a salary structure for the Foreign Service which is generally competitive at this time. We are not now losing important numbers of personnel to the private sector.

This competitiveness will, however, need to be reexamined regularly, since a broad turn-around in the U.S. private economy could alter it fundamentally.

Question 16. How do you perceive morale in the Service at present?

Answer. In general, morale in the Foreign Service is good. Our personnel see themselves as engaged in tasks which are most important to the achievement of U.S. foreign policy objectives. Consequently, for most employees, job satisfaction is high.

There is, however, considerable concern within the Service about the Administration's proposals for changing Federal retirement programs. Members of the Service realize that there are real problems in the current retirement programs and are willing to accept change. They worry, though, about whether adequate attention is being paid to the very real differences between the Foreign Service and the Civil Service in terms of structure (rank-in-person, etc.) and conditions of service. We are being careful to assure that these are addressed as the Administration's proposals for the retirement system are developed.

Question 17. In light of all the press reports concerning the changes being proposed in the Federal retirement system, what changes can we expect in the Foreign Service retirement system?

Answer. The plan is still being developed and not all of its features are as yet available, particularly for excepted services such as the Foreign Service. Current proposals for the Foreign Service and the Civil Service are identical with respect to placing new employees in the Social Security system with a supplemental and "wrap-around" Foreign Service annuity system, making permanent the current provision of law providing only half of the usual COLA adjustment for retirees under age 62, a "high five" calculation basis for annuities rather than the current "high 3", and an increase in employee contributions from 7 percent of salary to 11 percent. The plan also contains a proposed penalty of 5 percent of total annuity for each year of retirement below age 60, whereas the Civil Service proposal would apply the same penalty under age 65. Finally, it is not yet clear whether reduction in the multiplier for annuity calculations from 2 percent to 1.5 percent for each year of service will be included in the final proposal. If it is, it will probably be applicable to the Foreign Service as well as the Civil Service.

We will be ready to brief you as extensively as you desire, once details of the plan are fully developed.

Question 18. The Department is responsible for managing properties in 222 cities located in 138 countries worth well over $3 billion.

What is our total investment in buildings overseas and what efforts are you making to maintain and protect that investment?

Answer. The estimated total value of our buildings overseas exceeds $5.0 billion. In fiscal year 1984, we plan to embark on a Capital Renewal Program to better maintain and protect our investment. This program represents an increased emphasis within ongoing operations of those activities directly supporting the overseas physical plant. Capital renewal includes: Minor improvements; building operating expenses; maintenance and repair of buildings; replacement and repair of furniture, furnishings, and equipment.

Insufficient funds in previous years for these categories have both hastened the deterioration of older buildings and accelerated the need for their replacement through expensive construction or purchase of new properties. Thus, this phase of our operations requires greater emphasis.

We estimate the requirements for the Capital Renewal Program for FY 1984 to be $4,089,000 for minor improvements, $5,857,000 for building operating expenses, $4,361,000 for maintenance and repair of buildings, and $600,000 for furniture, furnishings, and equipment for a total of $14,907,000.

Question 19. In your travels as Under Secretary, what opinion have you formed of the state of U.S. housing and real estate in general overseas?

Answer. Because of my short time in this position, my travels have not been very extensive. However, I just returned from a visit to a number of our posts in the Far East and the Middle East and I traveled to Moscow, Bonn, Madrid, Amsterdam, The Hague and London in November 1982.

I have found a mixed situation, as you would expect. At some posts, we have very good mission facilities and housing and at others, one or both is not good.

In Cairo, for example, construction recently began on a new chancery that will provide adequate and secure mission facilities and in Riyadh, we plan to start construction of a new chancery this year and new housing in FY 1984. At other posts in the Middle East, there is an urgent need for adequate and secure mission facilities and housing. There are also requirements elsewhere that need to be satisfied.

Because of the significant threat to our personnel in some countries, we are looking at the possibility of clustered housing, where we can provide adequate protection.

The cost of constructing or buying suitable mission facilities and housing in many countries has increased dramatically in recent years. To provide our most needed facilities and housing, we are looking at ways to reduce the per unit costs, e.g., simpler and smaller facilities and use of prefabricated and pre-engineered buildings. These techniques are necessary, particularly in countries where almost all of the materials must be imported.

Question 20. How much of the FY 1984 request is being used to lease buildings overseas?

Answer. The FY 1984 Budget requests $6,270,000 for long-term leasehold payments (the contract period is 10 years or longer) and $57,000,000 for short-term leasehold payment including utilities.

Question 21. Is the United States paying rents above the market value for its leased property?

Answer. No, the U.S. Government is paying rents at or below the market value for its property. The U.S. Government is a preferred tenant, reliable in its payments and careful of the property it leases. Our posts have rental control boards to ensure that agencies do not bid against one another for the same property.

We often find that we are paying below market value for our long-term leases in the latter years of the lease. This has been particularly true in recent years due to high rates of inflation contrasted with our stable, fixed sum lease payments.

Question 22. The State Department in its policy-making role makes many decisions which directly affect the American farmer—often in a negative way—such as the grain embargo. The Department is active in the promotion of agricultural exports; the elimination and avoidance of trade barriers; treatment of Commodity Credit Corporation guarantees of loans made to Eastern European countries; the Caribbean Basin Initiative; coordination of agricultural exchange programs; the administration of the Food for Peace program; and the monitoring of economic trends abroad. The agricultural community does not believe that the Department is responsive to its concerns and there is a bill (S. 534) pending before the Committee which creates a position in the Department of Under Secretary of State for Agricultural Affairs.

What is the Department's position on this legislation?

Answer. The Department opposes the legislation because (1) an Under Secretary for Agricultural Affairs would be redundant, as the position would duplicate functions already being performed by an Under Secretary of State for Economic Affairs, an Assistant Secretary of State for Economic and Business Affairs, and the Department of Agriculture; (2) it would obfuscate lines of authority and responsibility in the area of foreign agricultural commodity policy; (3) creating a fifth Under Secretary of State position would add to the burden of top-level policy coordination in the Department; (4) it would require additional funding and positions in a period of budget austerity; and (5) it would lead to undesirable pressures for creating other specialized Under Secretaries in the State Department, such as for energy and commerce.

Question 23. What is the Department doing to be more responsive to the needs of the American agricultural community?

Answer. The Department is well aware of the importance of agriculture to the U.S. economy, both domestically and internationally. Although the Department of Agriculture appropriately has primary responsibility for direct promotion of U.S. agricultural exports, both Secretaries Haig and Shultz have sent personal messages to our ambassadors overseas stressing the importance of agricultural exports and encouraging the continued support of other elements of the embassy for USDA's promotion programs. The Department also supports longer-term market development efforts, and recognizes that food aid under Public Law 480 has served this purpose well. It is the State Department's job to further U.S. political and economic interests abroad, and the Department certainly recognizes that agricultural exports represent a major U.S. economic interest. With USDA

and USTR, the State Department has been very active in seeking to preserve and improve an international environment favorable to agricultural trade, including efforts to curb the use of export subsidies by the European Community. Domestically, the Department welcomes the views of representatives of the agricultural community: Department officials have met with groups representing many commodities and regions to learn about their problems and perspectives, and have traveled to many States to speak and listen to agricultural audiences.

Question 24. According to a GAO report issued June 23, 1982, the U.S. Government has not adequately suggested or been sufficiently involved in the water quality activities of the United States-Canadian International Joint Commission. The report recommended that the Secretary of State:

"Within the framework of current resources, develop and implement a system to follow up on IJC reports and recommendations and provide timely written response to IJC.

Develop and formally transmit to the President of the United States a policy and procedure for establishing staggered fixed terms for U.S. IJC Commissioners.

Consult with the Secretary of Agriculture and provide, in an expeditious manner, a U.S. nominee for the additional Water Quality Board position, and in conjunction with the U.S. IJC Commissioners, the U.S. Chairman of the Water Quality Board, and the Administrator of EPA, establish a formal mechanism to acquire input for the Board from key U.S. Federal and State agencies involved in water quality services."

What are the Departments comments on each of the GAO recommendations?

Answer: In its report of June 23, 1982 the General Accounting Office recommended that the United States be more responsive to the recommendations of the International Joint Commission United States and Canada, develop a policy for fixed terms of service for the U.S. Commissioners and seek to involve key federal agencies in the work of the IJC. While we have not answered formally the questions raised by the GAO, our views on these issues are as follows:

U.S. Responsiveness.—We believe the United States has been responsive to the recommendations and reports of the Commission. Preparation of responses is systematic and timely. Most recently, the United States responded to the first Biennial Report of the Commission on Great Lakes Water Quality. The Department and technical agencies maintain active lines of communication with the Commission and are fully supportive of the work of the Commission. Indeed, it is the Department's view that the Commission is an invaluable resource in resolving problems in United States-Canadian relations.

Continuity in U.S. IJC Membership.—The Department would favor fixed, overlapping terms for the three U.S. Commissioners to provide for continuity in Commission membership. The Department is developing a recommendation to the President along these lines.

Involvement for Key Federal Agencies.—Among the members of the 25 IJC Boards are representatives of EPA, USGS, U.S. Army Corps of Engineers and other federal agencies. The Department is supportive of Commission efforts to maintain adequate and appropriate U.S. representation on its Boards. The Department has assisted and advised in recent appointments to the IJC Boards, at the request of the Commission.

Question 25. On April 1, 1980, the President transferred primary responsibility for overseas commercial work from the Department of State to the Department of Commerce, which resulted in the creation of the Foreign Commercial Service. A GAO report of October 18, 1982, found that serious resource problems hindered the Service's first years of operation and that progress toward attaining a revitalized commercial service overseas has been uneven.

The April 1, 1980, reorganization creating the Foreign Commercial Service was expected to produce a unified export promotion system and a motivated, well-trained and competent overseas commercial staff to help meet the increasing competition in world markets. What are the problems of the Commercial Service and what is being done to strengthen it?

Answer. One of Secretary Shultz's first messages to Ambassadors expressed his expectation of a positive and productive working relationship between the two Departments, while emphasizing the importance of the Ambassador in export promotion. It is my view that an integrated approach is essential to giving American businessmen the greatest possible assistance.

Therefore, State Department officers have worked closely and constructively with the Department of Commerce since the inception of the Foreign Com-

mercial Service and continue to do so. The Foreign Commercial Service is making a concerted effort to improve their officer evaluation system and to reallocate their resources to areas of greater potential and we are working closely with them in both efforts. Given a major change in some markets and the larger FCS budget allocated to trade promotion since April 1, 1980, we are supporting Commerce's efforts to make the most effective use of personnel resources.

While there are bound to be differences from time to time, overall the State-Commerce relationship is working well. Certainly, for our part we intend to make it work.

Should you have more detailed questions regarding the motivation and training of the FCS, I suggest you direct them to the Commerce Department.

Question 26. Members of Congress with a great deal of expertise have suggested in recent years that U.S. international assistance to refugees be spread more evenly among several international intergovernmental agencies with less reliance on the U.N. High Commissioner for Refugees. Would you comment on the prospects for such a shift in this Administration?

Answer. The U.N. High Commissioner for Refugees (UNHCR) is the international organization mandated to provide legal protection and assistance to refugees. The United States supports the UNHCR in fulfillment of its mandate.

U.S. policy is to discourage the proliferation of intergovernmental agencies, and reduce duplication of effort. However, the United States does support a number of international agencies which assist refugees and displaced persons.

For example, the United States is the major contributor to the U.N. Relief and Works Agency assisting Palestine refugees in the Near East. The United States supports the International Committee of the Red Cross assisting refugees and displaced persons in a number of countries. The United States is the major contributor to the Intergovernmental Committee on Migration which assists in the placement and resettlement of refugees. The United States has also contributed to the U.N. Disaster Relief Organization in selective instances, such as assisting returnees to Chad.

Question 27. The Thai Government was very upset last year about the reduction in U.S. admissions from refugee camps in Thailand. This year the number has been cut again by 22,000. What effect will this have on U.S./Thai relations. On the refugees? On the number of refugees resettled by other traditional resettlement countries? Will the United States give Thailand greater military or economic aid to offset this reduction?

Answer. The Thai Government has been kept fully informed about the levels of U.S. admissions from refugee camps in Thailand. We are currently discussing with the Thai the steps we plan to take during the rest of the fiscal year to maintain the level of processing, such as arranging for refugee interviews in the camps rather than through special call-ups to holding centers, and expanding facilities for English as a second language and cultural orientation training. We expect to continue the close working relations that have characterized Thai/U.S. cooperation on this subject, and we are working with the UNHCR in support of the High Commissioner's efforts to maintain and, where possible, to expand the resettlement programs of other countries.

In determining our aid levels we have taken into account the fact that Thailand has borne the heaviest burden of refugees from Southeast Asia and is central to maintaining the first asylum principle and the continuation of the major international efforts which have allowed us to cope with this immense human problem. In FY 1983 and FY 1984 we expect to provide $5 million each year in Economic Support Funds (ESF) to be used to assist the Thai directly affected by the heavy refugee inflow and border fighting. This is in addition to $29 million in development assistance requested for FY 1984 and some $101 million in Foreign Military Sales, MAP, and military training funds, all of which represent increases from previous years.

Question 28. Please discuss the UNHCR/Thai anti-piracy program in the Gulf of Thailand. How successful is it? How much are we spending on this program?

Answer. The UNHCR/Thai anti-piracy program is funded this year at a level of $3.6 million, with support from 12 donor countries. The United States is the largest single contributor with a $1 million grant, some 30 percent of the total.

Funds from this program have underwritten the cost of three fast patrol boats and two spotter aircraft, as well as smaller equipment including two decoy boats.

Discussions are currently underway with the UNHCR and the Thai on a renewal of the program when current funding runs out in July 1983.

It is hard to determine how successful this program has been. Clearly it has had positive effects in deterring pirate attacks, although some of the reduction can also be attributed to the ability of refugees to avoid the areas of highest incidence of attacks.

According to the UNHCR, some 65 percent of the boats reaching Thailand in 1982 suffered attacks—an average of 2.5 attacks per boat.

We and other concerned governments will be evaluating the program in the coming months to determine what steps could be taken to strengthen it when it is renewed.

Question 29. Projected U.S. refugee admissions from Africa and Latin America have not changed much in recent years. Do you anticipate that the actual admissions from these areas will reach the numbers projected in your Congressional presentations materials? Given the criticism of the Immigration and Naturalization Service screening in Southeast Asia and the volatile situation in Central America, are these Latin American numbers adequate?

Answer. We believe a ceiling of 3,000 is adequate to meet the needs of African refugees and that totals close to this number will be admitted to the United States in both FY 1983 and FY 1984. The majority of African refugees desire to remain in the countries of first asylum in Africa.

The admissions ceiling for Latin American refugees in FY 1983 is 2,000. This same ceiling is being proposed for FY 1984. In neither year do we anticipate that Latin American refugee admissions will reach this ceiling.

Persons escaping persecution in Latin America have many options. There is a long regional tradition of political asylum which has withstood the test of modern refugee movement with financial assistance from the international community of which the United States is the major donor.

Continued strife in Central America has required a significant increase in our funding for relief activities in this area, primarily to the UNHCR for care and maintenance of Salvadorans and Nicaraguans in Honduras. Other troubled areas are also generating groups of refugees in need of assistance in countries of first asylum.

We believe the proposed Latin American admissions ceiling will provide numbers adequate to cover the need of Latin American refugees who have no other options for resettlement.

For the foreseeable future we propose to consider the cases of only current or former political prisoners and immediate family reunification cases.

Question 30. What is the refugee status in Africa?

Answer. During 1980 and the first 6 months of 1981, hundreds of thousands of Chadian, Ugandan and Ethiopian refugees fled from their home countries to neighboring countries of asylum. Because the refugees' flight was very sudden and the asylum countries were ill-prepared to receive them, emergency assistance of enormous proportions had to be provided by the international community. The emergency nature of the assistance has subsided and the condition of the refugees has stabilized. We are now in a routine care and maintenance mode. The assistance pipeline is flowing; improvement in management of the assistance is now the order of the day. In the last 2½ years there have been three successful voluntary repatriation programs for Equatorial Guinean, Zimbabwean and Chadian refugees. The estimated numbers of African refugees today is 2 million. There may well be an equal number of people in Africa who have been displaced within the boundaries of their home countries by reason of drought or civil strife.

It is U.S. policy, when a refugee situation emerges, to take a leading role within the international community in providing relief and protection to the refugees in their asylum country until such time as they can voluntarily return home or be permanently resettled in the region of their home country. The third and least desirable solution is third country resettlement, including admission to the United States, as a part of an international response. All elements of this overall U.S. refugee policy are being implemented in Africa.

Consistent with USG refugee policy respecting lasting solutions to refugee situations, State and AID are programming activities which will lead to refugee self-reliance and reduce dependence on scarce host government and donor resources. These development projects have been approved in Somalia and are under design in Sudan, Chad and Rwanda.

Question 31. How much funding is allocated for African refugee assistance?

Answer. Fiscal year 1983 funding for African refugee assistance is planned as following:

	Millions
UNHCR	$56.5
ICRC	7.9
Special projects	8.0
Projected costs associated with U.S. admissions	2.6
Projected food assistance	8.3
The $30 million special appropriation for development activities in refugee-impacted areas, projected obligations	23.0

Question 32. What is the Department doing to evaluate the international assistance programs to ensure more effective U.S. contributions?

Answer. To improve U.S. evaluation and monitoring of UNHCR programs in Africa, the following measures have been or will soon be instituted:

Judicious earmarking of UNHCR/Africa programs to exclude unacceptable projects or program elements and to ensure adequate funding of elements which are critical to the objectives of individual country programs and/or the safety and welfare of the refugees in that country.

Addition of a third Africa program officer in the Bureau for Refugee Programs (RP) to ensure more frequent assessment missions to Africa.

Establishment of a refugee affairs coordinator position in Khartoum to ensure that the U.S. support to refugee affairs in Sudan, but especially our contribution to UNHCR, is adequate and appropriately targeted.

Question 33. Why doesn't the United States require the existence of specific conditions in asylum countries that remove barriers to economic integration of refugees before programing direct U.S. development aid to refugees in asylum countries.

Answer. State and AID support the objective of the recommendation, to insure that refugees are not restricted in their attempts to integrate economically in their country of asylum. The three refugee-specific activities reviewed to date (two for Somalia and one for Sudan), and other activities either in design or under consideration, are consistent with the AID/State approved guidelines for the African refugee resettlement project. There is a clear understanding that program development should involve careful discussions of project goals and objectives with the host government and, to the extent appropriate and practicable, host government participation in the planning, financing and implementation of approved activities. The Governments of Somalia and Sudan have helped design each activity so far. Their participation in the design, financing and implementation of each activity is proof the Governments agree to refugees benefiting from the economic integration and increased self-sufficiency and self-reliance that are the objectives of the activities. We will continue to seek these goals in all of the activities financed from the special $30 million appropriation for African refugees and displaced persons.

Question 34. The United States and other countries have been pressing for zero budget growth for the specialized agencies as an across the board policy. This seems to imply that the growth of the budget of an agency such as WHO which contributes directly to the needy in the poorest countries is no different from the growth of any agency which is hiring more bureaucrats to handle regulatory functions.

Is there any feeling that this policy should be changed within the Administration?

Answer. We see no need to alter our policy of zero net program growth at this time. While we may attach greater importance to the work of some specialized agencies, we believe that it is possible for all of them to work toward the goal of zero program growth. It should be noted that the WHO has submitted to member states a draft budget for 1984–85 that reflects a minus 0.3 percent net program growth. FAO has submitted a budget for the same period (1984–85) that shows only 0.5 percent net program growth.

Question 35. What attempts have been made to decide which agencies should have zero growth, and which, either because of the nature of their work, or the needs of their clientele, should be excluded?

Answer. In general, we have tried to treat all the agencies the same, with one exception. Because of the high priority the Administration places on nonproliferation, we are relaxing slightly these guidelines for the IAEA.

Question 36. OMB has suggested that the United States enforce the zero growth policy by (1) placing a cap on U.S. payments and voting against budgets above these targets; (2) withholding all payments when the United States disagrees with agency budgets; or (3) giving notice of withdrawal to the agency.

What is the State Department's position on these suggestions?

Answer: These were possibilities raised by the State Department during informal discussions with OMB and on other occasions with representatives of other like-minded governments to stimulate thoughts on what may be done to force agencies to bring their budgets under control. At this time, we do not believe that any of the agency budgets will be so egregious as to require any of these drastic actions.

Question 37. Does the United States have a treaty obligation to pay its full annual assessments to international organizations to which we belong? Would failure to pay put us in violation of our treaty obligation?

Answer. The United States is obligated by treaty to pay its annual assessments to the international organizations to which we belong. Failure to pay these assessments would put us in violation of our treaty obligation.

Question 38. Do you see pulling out of an agency or withholding funds as an acceptable/effective option in dealing with International Organizations?

Answer. We would see withdrawal or withholding payments as acceptable options (1) if a positive determination were made that there were insufficient benefits to the United States from continued membership, (2) if the budget of an organization increased to a point that was beyond all reason, or (3) if Congressional action should limit our appropriations to a level that would not cover U.S. assessments.

Question 39. How is U.S. policy related to the obligations of this country to pay its assessed contributions?

Answer. The current U.S. policy is based on our obligation to pay our assessments to international organizations and we hope that we are not forced to reconsider this policy.

Question 40. What other suggestions do you have for ensuring that agencies honor the zero growth policy?

Answer. We believe that our budget concerns will be made clear to the organizations by (1) our work through the Geneva Group, (2) our budget demarches with like-minded governments, and (3) meetings with the heads of Agencies by the Assistant Secretary of IO and others up to and including the President.

Question 41. The United States changed its method of paying annual contributions to selected international organizations from quarterly to a lump sum payment during the fourth quarter of each calendar year. The intent was to achieve a temporary U.S. budget reduction, improve the accuracy of U.S. budget requests, and impress upon the organizations the need for restraining budget growth. According to a GAO report issued February 15, 1983, although the change effectively reduced the U.S. budget from fiscal year 1981 to 1983, it led to greater financial difficulties in the organizations, greater associated costs, and disapproval from other members. There have been many indications that some of the international agencies affected by deferral have faced great hardships.

Have the deferrals had a negative effect on U.S. foreign policy, or such related areas as the number of Americans hired by these agencies, or politicization of the agencies?

Answer. We have seen no negative effects from the deferral program on U.S. foreign policy, on the number of Americans hired by the organizations, or on the level of politicization of the agencies.

Question 42. Will the United States now try to reduce the percentage of our assessed contributions to U.N. agencies?

Answer. The United States is not attempting to reduce its contributions to U.N. agencies. Any attempt to negotiate a reduction in the ceiling assessment rate of twenty-five percent would be strongly resisted by our closest allies (France, UK, FRG, Japan) and would have little chance of success.

The present U.S. ceiling rate in the United Nations (most specialized agencies' assessment scales are predicated upon the U.N. scale) was first proposed by Senator Vandenberg in 1946. Already the ceiling is somewhat lower than it would be if the capacity-to-pay principle were applied to the U.S. assessment in the same

way as to other major industrialized U.N. members (Soviet Union, Japan, FRG, France, UK, Italy, Canada, etc.).

In June 1982, President Reagan reaffirmed U.S. financial support for the U.N. when he stated publicly to U.N. Secretary General Perez de Cuellar "much has happened in these last 37 years. Our countrymen can be proud that from the first day, the U.N. has had from the United States, the utmost moral, political and as you, yourself, generously remarked, financial support. But I should point out that even in a time of domestic retrenchment, American financial support has not and will not decline."

Question 43. The House Appropriations Committee Interim Staff Report on the U.N. released last spring pointed out a number of problems with the conduct of the State Department and the International Organizations, especially the U.N. Specialized Agencies. For the most part these are all long standing problems.

Would you please comment on the contents of that report, and what steps you have taken to address its criticism?

Answer. The report spoke in general of the lack of direction in the IO Bureau. We believe that the five priority objectives we are now pursuing provide the framework to direct the Bureau's efforts toward specific tasks and goals. It is our understanding from discussion with members of the House Appropriations Committee Surveys and Investigations Staff that they considered the implementation of these five priorities as a positive step toward coordinating the Bureau's activities.

Question 44. Specifically, the report was critical of the lack of overall control or coordination of the budgets of the specialized agencies, and thus lack of incentive to hold down budget growth. In response to this type of problem, the State Department testified last spring that the Bureau of International Organization Affairs had been reorganized to improve budget oversight.

What indication can you give us that this reorganization has been successful in either improving oversight, or improving the coordination of specialized agency budgets?

Answer. We believe the emphasis the Bureau has put on budget and finance related matters has paid off. The professional staff under the Deputy Assistant Secretary for International Management and Budget Analysis has been enhanced and is providing specific guidance for the Missions and delegations involved with the specialized agencies of the U.N. system. This concentrated effort, we believe, has played a major role in slowing down the rate of increase in the budgets presented by the specialized agencies. For example, the WHO has just presented its 1984–85 biennial budget which reflects a negative program growth rate of 0.3 percent and the FAO budget for the same period calls for only a 0.5 percent program increase. These two figures show marked progress when compared to 2.2 percent and 8 percent respectively for the previous budget periods.

Question 45. The House report criticized the International Agency reports to U.S. Missions on the status of programs but was unable to determine whether the problem lay in the agencies themselves or in the failure of the Bureau of International Organization Affairs and Mission staffs to request or demand management information. Can you comment on this problem?

Answer. The reorganization mentioned in your previous question has played a major role in helping solve this problem. Having staff charged with specific management responsibility for each of the specialized agencies has resulted in a much closer monitoring of management related information.

Question 46. The report criticized coordination of U.S. Government agencies dealing with IOs and international programs. It also spoke of the lack of policy leadership in these agencies by the United States. Please comment on any changes you have made or foresee making.

Answer. One of the five policy goals established for the IO Bureau is the reestablishment of U.S. leadership in the field of multilateral diplomacy. Our progress on this front, as well as the other four, is under constant review and is an agenda item at the weekly IO Office Directors meeting. As part of this goal, we have strengthened the Action Program process. This process requires an in-depth review of all major organizations and provides an important basis for coordination with appropriate domestic agencies. We use this process in planning our strategy for addressing the major issues arising in the operation of international organizations. The Action Program process is being studied by some of our allies for possible use in their own policy making forums.

Question 47. Another long term problem which affects the ability of Congress to oversee adequately the programs and budgets of these agencies is the lack of

institutional memory in the Bureau. The high turnover of employees and difficulty of filling jobs in the IO Bureau are based on the low esteem these jobs hold for purposes of career development. What do you foresee as a solution to this problem?

Answer. One of our principal goals within the Bureau (IO), is to train—and then retain—officers who are highly skilled and experienced in international organization affairs. We have both Civil Service and Foreign Service Officers. Where continuity is an absolute requirement for the efficient and effective performance of a particular job, it is designated for civil service staffing. For instance, the four positions which were established in 1981 in the Office of U.N. System Budgets to monitor the programs and budgets of the United Nations and its Specialized Agencies were all filled by Civil Service Officers. There were over 100 applicants for these jobs. These are highly desirable and career-enhancing jobs and there has been no turnover since the original selections were made.

On the Foreign Service side, the tour of duty is the same for IO as for the rest of the Department—2 years. We have encouraged our Foreign Service Officers to extend beyond that, and they have done so at an ever-increasing rate. This Summer, some 37 foreign service positions are scheduled for rotation. By the beginning of March, we had already selected and/or extended personnel for two-thirds of these and averaged 10 bidders per job. It is not uncommon to have as many as 20 to 30 bidders on individual IO jobs as the jobs are interesting and the officers in them enjoy more responsibility than is the norm.

One criterion for measuring the esteem in which jobs are held is the degree to which Foreign Service Officers return to the Bureau. It is significant that both career Deputy Assistant Secretaries in IO are veterans of IO Mission service, and one previously served with IO in the Department. Two of the three senior Office Directors in the International Economic and Social Affairs side of IO are also veterans of IO Mission service and, again, one previously served in the Bureau—and held a number of senior positions in it. There are other such examples.

In summary, we feel that we have institutional memories in the Bureau, that our jobs are attractive to candidates and that they are career-enhancing.

Question 48. Why was the Foreign Buildings Office under the Foreign Buildings Act of 1926 excluded from standard U.S. Federal Government procurement regulations? (Chapter 250, Section 3)

Answer. At the time the Foreign Buildings Act of 1926 was enacted, there were no procurement regulations in existence. However, there were a large number of statutes which governed construction activities by the U.S.G. The Foreign Buildings Act of 1926 gave the Department of State the specific statutory authority necessary to commence its program and provide the flexibility needed to construct and manage projects in countries throughout the world. FBO follows standard U.S. Federal Procurement Regulations to the extent possible. However, some flexibility necessary to meet differing conditions abroad.

Question 49. What consideration is given to American firms by the Foreign Buildings Office on overseas work? What efforts does the Foreign Buildings Office take to make sure that U.S. firms can bid on foreign building projects?

Answer. FBO gives non-financial preference to American contractors by requesting as many as possible to submit proposals for our projects. This is done through advertisements in "The International Construction Week", "Brown's Letters Incorporated", "The Commerce Business Daily", and "The Dodge Report." FBO also writes the Associated General Contractors and calls or writes contractors who have previously expressed an interest in projects of the appropriate scope and location.

If an American firm is within competitive range of the low bidder, FBO includes it in the negotiation process in case that firm can reduce its price, in the best and final offer process, and thus become the lowest bidder.

FBO is as liberal as possible in determining the competitive range so as to include American contractors. For the Cairo project, the lowest American firm's bid was fourth from the lowest and about 12 percent higher than the lower bidder. Normally, FBO would not have included the fourth lowest bidder but did so because the bidder was an American firm.

Question 50. The Canadian Foreign Buildings Office recently limited the bidding on their new embassy complex in Riyadh to Canadian firms and joint-ventures which had a Canadian element. How does the Foreign Buildings Office view such a policy?

Answer. The Office of Foreign Buildings (FBO) follows the Federal Procurement Regulations (FPR) to the extent possible in order to obtain full and fair competition and the best price from a responsible bidder. FBO deviates from the FPRs when it is necessary to meet a program goal. For example, for security reasons the finishing contracts for the Moscow Chancery were awarded only to cleared American contractors, and for reasons of urgency the contract for rehabilitating the Lagos Chancery after the fire was awarded to the contractor that had built the Chancery a few years before.

If FBO limited the bidding to American firms, it would reduce competition and add to the cost of the project. In Saudi Arabia where American contractors are already mobilized because of other work, FBO expects highly competitive bids from American contractors. However, in most foreign countries, particularly lesser developed ones, no American contractor is mobilized, and FBO would have to pay a significant premium to use an American contractor.

FBO includes "Buy American" preferences for materials in its construction contracts. Generally more than 50 percent of the materials for each project are purchased in the United States. This obviously helps our balance of payments situation and maximizes use of American labor.

[Whereupon, the committee proceeded to other business.]

* * * * * * *

[Whereupon, at 12:35 p.m., the committee adjourned, subject to call of the Chair.]

NATIONAL ENDOWMENT FOR DEMOCRACY

WEDNESDAY, APRIL 27, 1983

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The committee met, pursuant to notice, at 9:38 a.m., in room SD-419, Dirksen Senate Office Building, Hon. Charles H. Percy (chairman of the committee) presiding.

Present: Senators Percy, Pell, and Dodd.

The CHAIRMAN. Today, the committee will hear testimony on the National Endowment for Democracy from Prof. Allen Weinstein, program director of the Democracy Program and university professor at Georgetown; and Congressman Dante Fascell, chairman of the Subcommittee on International Operations, House Foreign Affairs Committee, a very active participant on the Democracy Program Board.

The Democracy Program is a bipartisan, nongovernmental 6-month study project designed to seek methods to assist in the effort to build democratic values and institutions abroad. This question has long been of serious concern for political parties, labor, business and media.

Although there are already a number of private and nongovernmental programs to bolster democratic movements abroad, a comprehensive, nationally-based private sector program that would promote the growth of democratic processes internationally has never existed.

The Democracy Program is an attempt to obtain participation of both national political parties, organized labor and business, as well as other American institutions. It is the first concerted efforts by these four key sectors of American society to create a genuinely bipartisan program to aid democracy abroad.

Today, we hear the recommendations that have resulted from that effort.

Congressman Dante Fascell, we welcome you very much, and we are very pleased that you could be here. I was pleased to participate last week in the panel discussions and then at a dinner meeting addressed by Secretary Shultz on this important subject.

Congressman Fascell, we are delighted to hear from you.

STATEMENT OF HON. DANTE B. FASCELL, CHAIRMAN, SUBCOMMITTEE ON INTERNATIONAL OPERATIONS OF THE COMMITTEE ON FOREIGN AFFAIRS, U.S. HOUSE OF REPRESENTATIVES

Representative FASCELL. Thank you, Mr. Chairman. I am delighted to be here, and thank you very much for extending the courtesy to us who are here today in support of this proposal to establish a non-

profit corporation to be known as the National Endowment for Democracy.

Mr. Chairman, this proposal is, I think, on all fours with the long struggle that you have personally undertaken since I have known you in the Congress of the United States to have an effective program by this Nation in dealing with ideas and in the struggle for ideas in the world. As a strong supporter of our information agency, its independence and the budget struggle that we have had, particularly in these times of constraint, you have been a stalwart. I have been delighted to work with you and to cooperate in every way because we both have a strong belief in the need for our Government, the principles we believe in, to be spread and understood by people all over. What we have is not automatically understood by everyone and it has to be told in a very clear, honest and concise fashion as often as we can.

So the National Endowment for Democracy, Mr. Chairman, is a natural extension of these concepts. It comes about as a result of the study which was undertaken when the chairman of the Republican Party and the chairman of the Democratic Party and the chairman of the American Political Foundation wrote to the President of the United States urging a study of enhancing U.S. capability to project itself. An interim report was made, which you have, with certain recommendations. The proposal which is before you flows from those recommendations. The study is still ongoing and a final report which will deal more specifically with implementation concepts is expected soon.

This is an historic event, Senator, because we have the Republican Party, the Democratic Party, the president of the AFL–CIO, representatives of business, academic community and others who have come together in a truly bipartisan effort to strengthen the capability of the private sector in this country to encourage the growth of democratic institutions and principles abroad.

Up to now, for some reason, we literally have had our hands tied. The political parties have not had the capability to work in the international arena. In this proposal we have followed the general model—very successful, I might add—of the German political parties who have established their own international arms. So part of this recommendation would be that each of the parties would and they have each established, an international institute. This would give them the capability of dealing and working with their counterparts abroad, such as exchange of people and ideas, political principles of our system and other related matters.

Labor, of course, has had a very successful Labor Institute which has been in operation for years. They are part of this process also. And then, of course, private enterprise also comes into this program because they can make a great contribution on behalf of the private business sector.

So we have the leaders of all of these institutions who support fully the concept of the National Endowment for Democracy. It would receive a grant from USIA and then these institutes would, in turn, be grantees of the National Endowment to carry out the purposes of the charter.

That is the broad, general concept.

Other organizations, other groups who are also interested and who have the capability to enter into this effort, would have an opportunity to submit their proposals to the National Endowment, USIA or other appropriate governmental agencies. Specifically, the National Endowment, would be funded so that it could consider worth while projects.

The Endowment itself is a nonprofit, private organization chartered under the authority of the District of Columbia Corporation Act. The Board would be representatives of the groups who have participated in the study and in reaching the consensus which has resulted in the pending study.

Unfortunately, Mr. Lane Kirkland could not be here today, Mr. Chairman, he is out of town. He very much supports this program, however. He has a prepared statement which, on his behalf, I would like to make part of the record, with your permission.

The CHAIRMAN. It will be made a part of the record following your comments and those of Dr. Weinstein.

Representative FASCELL. Our other participants are also in other parts of the country and cannot be here, but they have representatives here.

In short, Mr. Chairman, this represents an important occasion. It is the first opportunity since I have been here, and I have been in Congress 28 years—that such cohesion has been demonstrated before the Congress.

We need a strong, bipartisan approach to this issue. We need not get confused, either by fear or doubt, because what we are talking about is ourselves. We cannot just assume that the rest of the world automatically knows who we are, what we are and how we operate. Therefore, we need to tell them, and we need this additional instrumentality in the private sector to help those government institutions that we now have do the job that they are doing.

We are not concerned with the short-term partisan gain. We are more concerned about the long-range interests of the United States in this struggle of ideas in the world. Basically, this is what we present to you, Mr. Chairman. We are very happy to do that.

I have a prepared statement which I would like to submit for the record. My colleagues who are here are very capable and anxious to give you their ideas on this project. We commend it to you. Senator Dodd is a member of our study group, as I have the privilege of being. There is a lot of hard work here in the evolving of the consensus and the concept which is before you.

So I hope that it will be unanimously supported in the committee. On the House side it was overwhelmingly supported in our own subcommittee, and I am sure that it will be likewise supported in the full committee on the House side.

Thank you very much.

[Representative Fascell's prepared statement follows:]

PREPARED STATEMENT OF HON. DANTE B. FASCELL

Mr. Chairman and members of the Committee. I want to thank you for extending to me the courtesy of this appearance as a witness before you today in support of the proposal to establish a nonprofit corporation to be known as the National Endowment for Democracy. The proposal stemmed from a recommendation of

the American Political Foundation's Democracy Program research study, on whose Executive Board I serve along with a number of distinguished colleagues including Chairman Charles T. Manatt of the Democratic National Committee, Chairman Frank J. Fahrenkopf Jr. of the Republican National Committee, Ambassador William E. Brock III, President Lane Kirkland of the AFL–CIO, Vice-President Michael Samuels of the U.S. Chamber of Commerce, and Senator Christopher J. Dodd.

As many of you know, Mr. Chairman, the House Subcommittee on International Operations has reviewed and approved a charter authorizing the National Endowment for Democracy to be funded for the fiscal years 1984 and 1985 at not less than $31,300,000 to enable it to fulfill its purposes. Unfortunately, because of commitments scheduled much earlier, the Chairman of The Democracy Program, Ambassador Brock, is in Europe, and the Co-Chairman, Chuck Manatt and Frank Fahrenkopf, are elsewhere in this country. In their absence today, the Board felt it important and useful if I made some brief comments on the proposal.

We on The Democracy Program have been engaged in what might best be described as a unique research effort, trying to design new private sector, long range programs to strengthen democratic values and institutions abroad. Our Interim Report, which all of you have been given, is called "The Commitment to Democracy: A Bipartisan Approach," and even a cursory look at our Board shows the degree to which this represents a cooperative venture of Democrats, Republicans, and independents, liberals and conservatives, labor and business. What has united us is a belief that the moment is at hand to strengthen and give new meaning to the bipartisan tradition in this country through Congress' adopting our major recommendation and through creating privately our remaining set of new proposals. These would expand significantly the involvement of the two major political parties, labor, business, and other private sector institutions in this country in the process of international political exchange and democratic assistance.

To coordinate this entire effort and to symbolize the national consensus upon which it would rest, we have urged creation by Congress of the bipartisan Endowment as a private, non-profit corporation. Once in operation, the Endowment would disburse funds to instrumentalities created by the two major American political parties, the American labor movement, American business, and other private sector organizations, all of which would conduct international programs related to the purposes of the Endowment. Even at a time of great budgetary constraints such as this one, in which all of you and those of us on the House side feel the inevitable pinch almost daily, authorizing the proposed funds for the National Endowment for Democracy would—in my personal opinion—serve a vital function in the future efforts of Americans to help shape a peaceful, stable, and sympathetic world environment.

The Endowment's purposes are described on pages 9 and 10 of the Interim Report, and I will not reiterate them here. I do wish to note, however, that in addition to creation of the Endowment, our proposals call for immediate creation by the two major political parties of "institutes" related to their respective parties, which would receive equal amounts of funding from the Endowment. In the Federal Republic of Germany, as many of you know, there exist four political party foundations comparable to the Institutes we recommend and all funded by the Bundestag. These foundations began operating internationally during the early-1960s and have acquired a well-deserved reputation for long-range effectiveness in supporting democratic development work elsewhere in Europe and throughout the Third World, working in partnership with organizations in host countries on a range of projects. I am happy to report that there now exist in this country, already incorporated, the National Republican Institute for International Affairs and the National Democratic Institute for International Affairs.

The Democracy Program's Interim Report recommended also that the AFL–CIO immediately prepare its existing Free Trade Union Institute for the purpose of conducting programs which met the purposes of the National Endowment for Democracy and that, similarly, a Center for International Private Enterprise to conduct business-related programs be created by the National Chamber Foundation. This Center would include within its supervisory body representatives of leading business organizations. Our report contains a full explanation of the types of activities to be engaged in by the Free Trade Union Institute, the Center for International Private Enterprise, and the two political party-related Insti-

tutes. In addition, the Endowment would also disburse funds to other private sector grantees whose program proposals fit within its stated purposes.

We have proposed in the Endowment's charter a solid and continuous process of congressional oversight to insure that the institution itself and those it funds fulfill the purposes for which Congress has authorized those funds. Moreover, the Endowment's bipartisan and eminent Board of Directors will insure that the programs funded represent—by promoting the purposes of its charter—long-term national interests of this country and not short-term partisan ends of any description. All of the Endowment-funded programs, obviously, will be conducted openly by their private sector sponsors.

This committee should note, also, that we have included in our Interim Report the statement that the Endowment proposal should not be funded by reducing support for existing international organizations or programs. Specifically, we supported such valuable educational and cultural exchange programs as the Fulbright-Hays, Humphrey, International Visitor, and other exchanges which the Chairman and ranking minority members of your committee. Senators Percy and Pell, have labored so effectively to strengthen. The proposed National Endowment for Democracy complements such efforts and is not a substitute for them. Similarly, those aspects of the Administration's "Project Democracy" initiative which, in the opinion of Congress, meet the criteria laid down in the Endowment's statement of purpose deserve support in our opinion. Our research study itself, after all, was initiated with a letter from the two national political party chairmen and Ambassador Brock to President Reagan prior to his speech to Parliament last June, and the President has consistently supported this private sector effort—most recently in a meeting between Chairman Manatt, Chairman Fahrenkopf, Amabassador Brock, President Kirkland, and Chairman Thompson of the Chamber with National Security Advisor William P. Clark last week.

Allow me to close, Mr. Chairman, on a very personal note. I have been concerned for years—as I know you have—with the apparent inability of this country to create effective political, non-military responses to the challenge which our adversaries pose in the competition for ideas throughout the world. The Soviet Union, on the other hand, has rarely engaged its military strength directly since World War II but—on every possible occasion—has tried to penetrate the institutions of a country—political parties, labor movement, the educational system, private enterprise if that existed—with an effective political apparatus. They have had no qualms about pouring billions into furthering their ideological and political aims whereas, in this country, even with the most careful oversight mechanisms built into the process as we have tried to do with this proposal for a National Endowment for Democracy, until now there has been some reluctance to encourage America's private sector institutions to support this country's ideals abroad. The exception has been the American labor movement, especially the AFL–CIO, which has sponsored training institutes to support free trade unions on three continents and which has, when the occasion demanded as during the post-World War II years, fought to move Marshall Plan aid off the docks and to keep Communist unions from destroying workers' freedom in a number of countries.

Now, as a result of the Endowment proposal and the institutions which it would fund, finally this country has the private sector concept it needs to engage effectively, responsibly, and in a long-range manner in the global competition of ideas. I consider that fact historic, especially since the proposal before you will not only assist development of democratic values and institutions abroad but, at the same time, constitute a giant step toward restoring the centrality of bipartisanship in the foreign policy-making process at home. I hope that the members of this committee share my sentiments and, one final time, Mr. Chairman, I thank you and your colleagues for allowing me this opportunity to appear before you.

The CHAIRMAN. Thank you, very kindly.

Senator Dodd, I know you have no conflict of interest. As I said before, you have interest but no conflict.

Would you like to make an opening statement as a member of the Executive Board?

Senator DODD. No opening comment, Mr. Chairman, other than to welcome our witnesses this morning and to express my deep support. Congressman Fascell has really said it all. I think he is absolutely correct. If those of us who disagree—I might point out that, in terms of our foreign policy, this approach ought to bring all of us together. This is clearly something that obviously all of us ought to support. It is designed specifically for us to play a meaningful role in helping to develop the kind of democratic institutions which we, at least, proudly proclaim that we support on the Fourth of July and Memorial Day. Well, here is a chance to do something about those speeches we make, in effect.

That is why I support it. It has been a pleasure to work with Chairman Manatt, Chairman Fahrenkopf, Congressman Dante Fascell, and Allen Weinstein. They have done a fine job with all of this. In fact, we had some terrific meetings where interesting coalitions developed in support of various things. We sometimes found ourselves where Democrats and Republicans were more together and labor and business were fighting us. It was an interesting experience, just putting this thing together, an educational process in itself.

So I am delighted to associate myself with the remarks of Congressman Fascell and the statements he made on the House side as well as here this morning. I also would like to thank the chairman. This has been a bit awkward for us, over the last week or so, these mark-ups and everything else going on. As a result of Senator Percy's and Senator Pell's support, we in a bipartisan way have already addressed this issue, and we obviously wanted to have the benefit of the testimony this morning in developing this program.

But a great deal of credit should go to Chairman Percy and Senator Pell for helping us move this program along successfully. It is a bit awkward, the way we are proceeding, but I think all of us will benefit as a result of your testimony.

I thank all of you for being here. I welcome Sarah Weddington, an old friend.

The CHAIRMAN. I mentioned before you came in, Senator Dodd, I greatly enjoyed the 6 hours I spent with this remarkable group last week. I decided to go and hear first hand and get a feel for the proposal. It is a marvelous concept, a marvelous idea that we are moving forward, and I saw a lot of enthusiasm for it.

The initiative has the support of business and labor, Democrats and Republicans. We have a pilot that the Federal Republic of Germany has run for a number of years. We can learn from their experience.

So without any hesitation, I think that Project Democracy is going to be a highly cost-effective investment.

With that introduction, Dr. Weinstein, we are delighted to have you here and I appreciated the opportunity to consult with you last week.

Mr. WEINSTEIN. Thank you, Mr. Chairman and Senator Dodd, Congressman Fascell, colleagues. I think I will submit most of my statement for the record.

The CHAIRMAN. The full statement will be incorporated in the record.

STATEMENT OF ALLEN WEINSTEIN, RESEARCH DIRECTOR, THE DEMOCRACY PROGRAM, WASHINGTON, D.C.

Mr. WEINSTEIN. I would like to provide a chance, as quickly as possible, for Sarah Weddington, representing the chairman of the DNC [Democratic National Committee] and for Mike Farren, representing Chairman Fahrenkopf of the RNC [Republican National Committee], to make their statements.

Mr. Chairman, I would like to say on behalf of all of us involved in the Democracy Program that we are deeply grateful to you, Senator Pell, Senator Dodd, and the other members of the committee for holding this hearing, taking time out from your extraordinarily busy schedule and allowing us to testify.

I would simply second Congressman Fascell's observation, that all of us who have been involved with the Democracy Program feel that the core recommendation of our interim report, which is for the creation, by Congress, of a National Endowment for Democracy, along with the creation in the private sector of the two party international institutes, the Labor Institute and a Center for International Private Enterprise to be sponsored under the auspices of the National Chamber Foundation, all of these together should have a decided long-range, but virtually immediate impact in strengthening democratic values and institutions abroad.

Mr. Chairman, the only part of my statement that I would actually like to read, if I may, is that which concerns the essential question, as you noted yesterday in inserting into the record the editorial in the Washington Post supporting this program, is a question which may be of some concern to members of the committee.

Some Americans have argued that the United States should abandon all efforts, whether governmental or private sector, no matter how sensible those efforts, to foster and support democratic institution-building abroad. In this view—and I am quoting here from the Linowitz-Galo Plaza report—"Democracy is not an export commodity; it must be nurtured and developed within each nation."

Mr. Chairman, the members of the Democracy Program subscribe to that sentiment, but not to its corollary: namely, that existing democratic nations cannot contribute much in a very direct way to building democratic political institutions in other countries.

I make my living, Mr. Chairman, as an historian, and I would argue that history, at least since the Second World War, contradicts that pessimistic presumption. Both Japan and the Federal Republic of Germany emerged as strong democracies after their respective periods of occupation allowed the nurturing of democratic values and structures. Such countries as India and Nigeria, along with other Third World powers, have proved themselves viable democracies by adapting to national practices institutions which began during their colonial period.

Closer to home, Mr. Chairman, would the democratic renaissance in Spain and Portugal in our time have been so effective without timely assistance from friends in other European countries, both at the governmental and nongovernmental level? I might add, Mr.

Chairman, that this is where the German foundations played a critical role in keeping Spanish and Portuguese democracy alive.

Similarly, in Greece, the transition from military dictatorship to democracy was expedited because of pressures not only from Western European states but also from such intergovernmental bodies such as NATO and the Council of Europe. Finally, the actions of Latin American democracies such as Costa Rica, Venezuela, and Colombia, have not been without consequence in accelerating the process of redemocratization elsewhere in the hemisphere.

From Franklin Roosevelt to Ronald Reagan, Mr. Chairman, every American President has been personally committed to the goals of democratic institution-building abroad. From the 1940's to the present, Congress—under both Republican and Democratic leadership—has supported and helped to shape the national consensus in favor of such initiatives.

To quote Arthur Vandenberg: "Whenever we find free peoples having difficulty in the maintenance of free institutions, we do not necessarily react in the same way each time, but we propose to react." Vandenberg on the Marshall Plan, and that sentiment remains a valid one.

On those occasions when such national response has led to the successful launching of new programs—from the earliest days of the Marshall Plan and the Fulbright-Hays Act to the present—several themes, I will argue, Mr. Chairman, have occurred, and I will conclude with this.

First, the proposed programs reflected concretely and practically the underlying national consensus on our broad American foreign policy goals.

Second, the new programs did not threaten to undermine the funding and operations of other existing programs which Congress and the public support.

Third, the new programs enjoy genuine and impeccable bipartisan support across a wide spectrum of American leadership and opinion.

In the view of this Executive Board, Mr. Chairman, the Democracy Program, and in my personal opinion, our proposal for the National Endowment for Democracy now before this committee meets all of this criteria. I thank you for this opportunity to testify and especially, Mr. Chairman, for your personal interest in the work of our program.

[Mr. Weinstein's prepared statement follows:]

PREPARED STATEMENT OF PROF. ALLEN WEINSTEIN

Mr. Chairman and members of the Committee, I want to thank you for holding this hearing in such an extremely busy period of your work and for allowing me this opportunity to testify on behalf of the Executive Board, staff members, and consultants of The Democracy Program. I have had the privilege of serving as Program Director since its inception last fall, and you now have our Interim Report and recommendations before this committee for its consideration. The Subcommittee on International Operations of the House Foreign Affairs Committee, chaired by our distinguished Board member Dante B. Fascell, has already studied and approved the Interim Report's core recommendation for creation by Congress of a National Endowment for Democracy to assist—through supporting private sector instrumentalities of the two political parties, labor, business, and others—in strengthening democratic values and institutions abroad.

Since Congressman Fascell has already described to you the major intentions of our proposal, and since you have already been reviewing our Interim Report, I will limit my testimony to some major points of clarification related to our proposals prior to answering any questions which you may have about these recommendations. Before doing so, however, I would like to thank those who have come forth today to testify on behalf of The Democracy Program: Congressman Fascell, of course, and the three remaining witnesses—the Honorable Sarah Weddington, our Co-Counsel, representing Chairman Manatt of the Democratic National Committee; Michael Farren, representing Chairman Fahrenkopf of the Republican National Committee; and Ambassador Michael Samuels, Vice-President of the U.S. Chamber of Commerce for International Programs and another member of our Board.

To clarify a question which has been raised previously in this committee's work, I should say something about The Democracy Program's relationship to the Administration's "Project Democracy." When we began our study, it was with the understanding—explicitly made by representatives of the Reagan Administration—that a portion of funds then stipulated for "Project Democracy" could be "reprogrammed" in support of recommendations which our research study would make to Congress. That seems now to have happened. Still, it should be noted that of the $31.3 million authorized by the House Subcommittee on International Operations for the National Endowment for Democracy's operations, the $13.8 million authorized for the Free Trade Union Institute represents the exact figure stipulated for labor programs in "Project Democracy," the $2.5 million to support private enterprise development programs of the National Chamber Federation reflects a $1.5 million increase over the $1 million contained in "Project Democracy" for such activity, and the $5 million assigned to each party-related Institute simply another mode of dividing the $10 million previously agreed-upon by Director Wick of USIA as funds assigned to the National Endowment for Democracy from the "Project Democracy" $65 million. In short, Mr. Chairman, by our calculation, $24.8 million of the proposed $31.3 million for the National Endowment for Democracy was already contained, in one form or another, within the "Project Democracy" budget and not some of the smaller figures previously cited before this committee. Moreover, as the letter to Ambassador Brock from National Security Advisor Clark reproduced as Appendix D (March 14, 1983) in the Interim Report indicates, the Administration continues to support wholeheartedly the private sector concept embodied in the Endowment framework. Mr. Clark confirmed that fact for our bipartisan Board most recently in a White House meeting last week, at which he reiterated the President's strong personal backing of these efforts.

Since some questions have been raised in this committee about the destination of funds assigned by the Endowment, should Congress approve it, to the two party-related Institutes, allow me to make an obvious but critical point: not one penny of this money will be spent on programs related to domestic political purposes. The funds will be spent by two "institutes for international affairs," already incorporated, which will be using the money in critical efforts to support long-range programs of political exchange and democratic institution-building whose impact can only be helpful to the future strength and influence of American democracy itself. Similarly, Mr. Chairman, the funds to be allocated to labor, business, and other organizations will allow this country—through the mechanism of the National Endowment for Democracy—to begin playing an effective role internationally through its private sector institutions in supporting the slow, vital evolution of democratic processes in other countries in partnership with or friends in those countries. There is nothing frivolous, peripheral, or utopian about either the conception or execution of this program.

Finally, Mr. Chairman, as an historian, I cannot refrain from calling the committee's attention to a section of our Interim Report which some of you may have read in the Washington Post yesterday, quoted on its editorial page but worth recalling today. Some Americans have argued that the United States should abandon all efforts, whether governmental or private sector, and no matter how sensible, to foster and support democratic institution-building abroad. In this view, as expressed in the recent Linowitz-Galo Plaza report, "democracy is not an export commodity; it must be nurtured and developed within each nation." We subscribe to that sentiment but not to its corollary: that existing democratic nations cannot "contribute much in a very direct way to building democratic political institutions in other countries."

History since World War II belies that pessimistic presumption. Both Japan and the Federal Republic of Germany emerged as strong democracies after their respective periods of occupation allowed the nurturing of democratic values and structures. Such countries as India and Nigeria, among other Third World powers, have proved themselves viable democracies through adapting to national practices institutions which began in their colonial periods. Closer to home, would the democratic renascence in Spain and Portugal during the past decades have been so effective without timely assistance from friends in other European countries, both at the governmental and non-governmental levels? Similarly in Greece, the transition from military dictatorship to democracy was expedited because of pressures not only from Western European states but, also, from such inter-governmental bodies such as NATO and the Council of Europe. Nor have the actions of Latin American democracies such as Costa Rica, Venezuela, and Colombia been without consequence in accelerating the process of "re-democratization" elsewhere in the hemisphere.

From Franklin Roosevelt to Ronald Reagan, every American President has been personally committed to the goals of democratic institution-building abroad. From the 1940's to the present, Congress under both Republican and Democratic leadership, has supported and helped to shape the national consensus in favor of such initiatives. "Whenever we find free peoples having difficulty in the maintenance of free institutions, we do not necessarily react in the same way each time, but we propose to react," Senator Arthur Vandenberg, a prime architect of modern American bipartisanship, stated in 1947 during legislative debate over the Marshall Plan. The sentiment remains a valid one.

On those occasions when such national response has led to the successful launching of new programs—from the earliest days of the Marshall Plan, "Point Four" economic assistance, and the Fulbright-Hays Act to the present—several themes have recurred. First, the proposed programs reflected concretely and practically the underlying national consensus on broad U.S. foreign policy goals. Second, the new programs did not threaten to undermine—either by accident or design—the funding and operations of other existing programs which Congress and the public supported. Third, the new programs enjoyed genuine and impeccable bipartisan support across a wide spectrum of American leadership and opinion. In the view of my Executive Board, Mr. Chairman, and in my personal opinion, the proposal for a National Endowment for Democracy now before this committee, meets all these criteria.

I thank you, Mr. Chairman, for this opportunity to testify and for your personal interest in the work of The Democracy Program.

The CHAIRMAN. Thank you very much.

At this point in the record, we will insert the prepared statement of Mr. Lane Kirkland.

[Mr. Kirkland's prepared statement follows:]

PREPARED STATEMENT OF LANE KIRKLAND, PRESIDENT, AFL-CIO

The American labor movement urges the support of this committee for the creation of a National Endowment for Democracy. We are behind this combined party, labor and business effort at least partly because we believe that protecting and creating democracy are more a matter of private, organizational relations—of union-to-union and of party-to-party communication—than of government-to-government discourse between diplomats, bureaucrats and transient political appointees. As the others involved in proposing this Endowment know well, it is the conflict and cooperation of groups like ours that shape some sort of democratic outcome. Without us and our battles and agreements there would be no democratic process, no democratic government, no democracy. There are millions of others outside our borders who know this and want the same things for themselves. They know we are at least one example of how it can work.

This sort of thinking is not new to the American labor movement. At the end of World War II we helped democratic trade unionists rebuild private structures in countries ravaged by facism. We also helped them thwart Communist efforts to impede the Marshall Plan and to block relief efforts—purposes that went well beyond strictly trade union interests to serve the welfare of nations.

We believe that our efforts to support black trade unionists in South Africa; to assist the courageous survivors of government crackdowns against democratic

unionists in Chile; and to help those who fight to maintain Solidarity in Poland, is working in behalf of both free trade unionism and democracy, since in our view the two cannot be separated.

Basic in all of this is the principle we share with those who want our cooperation in a common cause: without the right of freedom of association, and therefore the power to pressure governments and employers, free trade unions cannot exist. With this denial all other human rights are lost. With freedom of association comes freedom of assembly and freedom of expression. This has not been lost on the workers of Gdansk who used the law of the International Labor Organization which protects freedom of association as their rally cry back in the summer of 1980. Where are their rights of assembly and expression today? Gone, along with their right to organize a union, but their struggle continues to regain these fundamental rights.

It is simple for governments to profess a commitment to human rights. But without organized constituencies to defend them it is even simpler still for governments to ignore their own promises. We have spent lots of time in this country considering sanctions, military aid cutoffs, public outrage and loan denials as ways of applying external, negative pressures on governments whose human rights standards we abhor. But we have largely ignored the other side of the coin. We have failed to help those domestic groups who would use and protect these rights develop the ability to do just that.

There is a policy on human rights that makes sense. It is to help those trade union, party and native entrepreneurs struggling to set up democratic institutional guarantors of human rights in ways that they themselves choose. It may well be a good idea, for example, to deny South Africa an International Monetary Fund loan. But, it certainly is advisable to help democratic, aspiring black trade unionists there develop the beginnings of a foundation for industrial, and ultimately, political democracy. It may well be a good idea to deny military aid to El Salvador. But, it certainly is advisable to help poor workers there maintain the strength to press for a fair system of justice, land reform and free elections.

For us in the AFL–CIO it is entirely appropriate and laudable that more public funds be made available for this work by the proposed Democracy Endowment. Ours is not the only democratic government that does this. We are well aware that many of our counterpart unions in the nations of Europe obtain funds which they in turn use to assist democratic trade unionists around the world. We have done this for years on a more limited basis than proposed here through our three institutes for Asia, Latin America and Africa and with our own funds.

But there is something quite new and different about what we are suggesting here. First, the organization we hope to create will give us all an opportunity to share perceptions and wisdom. Naturally, given the long and durable experience of the AFL–CIO in this kind of work, I hope our successes and mistakes will be of some use to others. It also gives us in the labor movement the control and autonomy we must have to make our own decisions about what we think is right. Second, the fruits of this effort can go well beyond the social and developmental kind of work done by private organizations with government money thus far, including our own institutes.

We hope, for example, to help unionists develop and participate in democratic electoral processes. We would like to offer new unions, as well as those suffering devastation at the hands of governments, basic administrative support. For unions facing organizational extinction and for union leaders suffering personal threat, we want to do more to publicize their plight and dramatize their needs. We plan to help pro-democratic international trade union organizations like the International Confederation of Free Trade Unions and its individual trade secretariats do these same kinds of things. We want to bring more of our trade union friends here to see how our system works.

This proposal could not come at a more important time. In fact, it is long overdue. We feel the pressures constantly from those needing help. At the same time, we see enemies of free trade unions and democracy pouring millions into efforts to defeat us. Remember, because of their ties to masses of workers, trade unions are often first targets of those who would callously and cynically destroy democracy. Among the many so-called "workers' states" are the most ruthless exploiters of slave labor, the most barbarous deniers of free expression.

The AFL–CIO hopes you will support this proposal.

The CHAIRMAN. Ms. Weddington, any summary statement that you would care to make on behalf of Charles Manatt would be appreciated.

STATEMENT OF HON. SARAH WEDDINGTON, ON BEHALF OF HON. CHARLES MANATT, COCHAIRMAN, THE DEMOCRACY PROGRAM AND CHAIRMAN, DEMOCRATIC NATIONAL COMMITTEE, WASHINGTON, D.C.

Ms. WEDDINGTON. Mr. Chairman and Senator Dodd, I would simply say on behalf of Chuck Manatt that he was disappointed in not being able to join you today, but I am pleased to be able to appear on his behalf. It has been a pleasure to serve with the Senator, with Congressman Fascell, with the very fine members of this team.

In view of Senator Dodd's service and your personal familiarity with our efforts, I would simply say on behalf of Chairman Manatt how much the Democratic Party looks forward to participating in this expanded effort to encourage democracy and to demonstrate the advantages of the democratic way of government.

[Mr. Manatt's prepared statement follows:]

PREPARED STATEMENT OF HON. CHARLES T. MANATT

Mr. Chairman and Members of the Committee on Foreign Relations, I want to thank you for this opportunity to appear before you today in support of the recommendations of the Interim Report of the American Political Foundation's Democracy Program. I know that my colleagues join me, Mr. Chairman, in commending you for your valuable assistance in this entire process.

As others have reviewed the Report's recommendations in their remarks, I will not speak further on the specific aspects of the proposed Endowment and instrumentalities. Needless to say, you also have before you the full and well-documented Report which provides the background, development and conclusions of this study.

I would, however, like to make some general comments on an enterprise which I sincerely believe should become a significant and integral part of our American political and international landscapes.

Nearly 150 years ago Alexis de Tocqueville wrote that "Democratic nations care but little for what has been, but they are haunted by visions of what can be; in this direction their unbounded imagination grows and dilates beyond all measures. . . . Democracy, which shuts the past against the poet, opens the future before him."

In recent years, many have commented on how they believe the Communist movement around the world has gained tremendous force from its formidable network of international parties, funds, and connections. While these same commentators have noted some promising developments in Western Europe which indicate that democratic nations are seeking to establish corresponding networks for the democracies, they have, nonetheless, been critical of what they regard as too little activity on the part of the United States, both governmentally and nongovernmentally.

Prompted by these concerns, the two great political parties of this land have initiated and sponsored, through the bipartisan American Political Foundation, the Democracy Program study.

I believe that I speak for my colleagues when I say that we subscribe to the sentiment that democratic nations can contribute in a direct way toward building democratic political institutions in other countries. Since World War II, there have been numerous occasions—in Japan, Germany, India, Nigeria, Spain, and Portugal—where the nurture of and assistance to democratic values and structures has been critical to their success.

At the non-governmental level, both in this country and in Europe, private sector groups have also often played a decisive role in assisting the laborious

process of encouraging the institutional development vital to the emergence of pluralistic cultures. Here in the United States, the most important and outstanding model has been the regional institutes of the AFL–CIO, which have operated under difficult local circumstances in non-democratic societies in Latin America, Africa and Asia, supporting free trade unions and training their organizers. President Lane Kirkland, through his active and sustained participation in this study, has brought much of this experience and expertise to the attention of the Board and the Democracy Program staff.

The four publicly-funded political foundations in the Federal Republic of Germany, each allied with a major political party, provide an impressive model. While they began their activity in the area of domestic political education, they have since the early 1960's expanded into the area of international democratic development and currently sponsor programs in more than 60 countries. Their success and well-deserved reputations have resulted from their effectiveness as non-governmental entities in reinforcing democratic processes and institutions in other European countries and also in many Third World nations. The German foundation model has now been adopted in several other countries as well. While we realize the differences which exist within the American political system, a basic presumption underlies political party foundations in any democratic society: Organized political parties provide a pivotal mechanism for institutionalizing the paramount freedoms of expression and choice.

In our view the proposed National Endowment for Democracy represents essential components in a long-range bipartisan program to assist the development of democratic values and institutions throughout the world. The Interim Report of the Democracy Program reflects the capacity of the two great political parties, working with labor and business, to design institutions capable of encouraging democratic development within a pluralistic framework. The Endowment, as a coordinating institution, will serve a variety of functions needed to guarantee the continued integrity of the entire series of private sector initiatives. Its existence and operations will demonstrate both for Americans and for friends in other countries, that this new initiative will remain open, acceptable, and attuned to local sensibilities as the collective wisdom of the Endowment and its various components could guarantee.

As for the political party institutes, we see them as having two parallel sets of objectives and programs: political exchange and democratic political development. The development of party-to-party relationships across national borders has served to assist and sustain many democracies in recent decades. Not only the German political foundations, but also transnational groups such as the Christian Democratic, Liberal, and Socialist Internationals have provided timely and otherwise unavailable support for their embattled colleagues elsewhere. By increasing direct party-to-party relations where feasible, the Endowment's political party institutes will also assist in developing a more solid underpinning for bilateral and multi-lateral government-to-government relations.

The political party institutes, in their opening phase of creating new international relationships through political exchange programs, can lay the groundwork for later development assistance, while establishing their credibility and presence in a manner suitably restrained and appropriate to the rquirement of their local partners. Development assistance programs will reflect thoughtful and extensive consultations in the host countries. In our view, careful planning and review, including discussion with American and other foreign democratic interests already working in the area, will be essential to any successful political party institute program.

In closing, Mr. Chairman, I am reminded of a recent observation of the former Foreign Minister of the Netherlands, Max van der Stoel: "There is a bond between almost all the parties in a democratic state: The common will to maintain and strengthen the democratic process." I believe that the Republican and Democratic Parties share such a common will and that the time seems right for us each to foster and to support democratic institution building. While such programs can assist democracy and democratic institutions overseas, they should also produce a better informed and more capable party and government leadership within the United States. As the Chairman of the Democratic Party of the United States, the oldest continuous party organization in operation anywhere in the world today, I welcome the great challenge and potential which this enterprise holds for all of us. Thank you.

The CHAIRMAN. I appreciate that very much.

I sat for hours between the chairman and Peter Kelly, and he did not get a campaign contribution out of me for the Democratic Party.

Senator DODD. I bet he tried, though.

The CHAIRMAN. He did not even try.

I said my son-in-law will give on my behalf.

Now on behalf of the Republican Party, Mr. Farren.

STATEMENT OF J. MICHAEL FARREN, ON BEHALF OF FRANK J. FAHRENKOPF, JR., CHAIRMAN, REPUBLICAN NATIONAL COMMITTEE

Mr. FARREN. Mr. Chairman, my name is J. Michael Farren. I am speaking on behalf of Frank J. Fahrenkopf, Jr., chairman of the Republican National Committee.

I want to express the strong and enduring support of the Republican Party not only for the proposals contained in the Interim Report of the Democracy Program but perhaps more importantly for the objectives and traditions which underline them.

It has been charged in many quarters that the United States has little to say to the world these days, that the fact of American leadership has faded in recent years, and that Americans remain so hopelessly divided on questions of our own destiny that we are unable to lead by action or by example.

The proposals in this report should go far in reversing these images both at home and abroad. The world appears to long for a clear and unmistakable signal of American resurgence, and of a return to leadership based on the broad values and traditions that have made America the most truly free and prosperous nation in the world.

These proposals, reflective of the broad bipartisan vision of democracy as mankind's ultimate destiny, can be taken as but a part of that signal and, if implemented, they can serve as more than a signal, they can become the process itself.

For its part, the Republican Party anticipates and supports fully the creation of the National Endowment for Democracy and its related institutions. We believe that we as Republicans have a message for the world, both the developed and nondeveloped regions. We stand by our basic principles and philosophy as our guide to the vision of a better America, and a freer and more prosperous world. Where appropriate, we hope to express that vision abroad, while at the same time recognizing that ours is not the only voice to be heard.

We also recognize that the inner strength of American democracy derives from its ability to foster and promote the creative expression of individual and collective viewpoints from within, and it is in that spirit that I appear today with representatives from labor and the Democratic Party.

Senator DODD. What party is that?

Mr. FARREN. The Democrat, sir.

Senator DODD. I will teach you Republicans how to speak.

Mr. FARREN. Together, we bear a joint responsibility for expanding the frontiers of democracy, pluralism, and individual liberty abroad.

Not so many years ago, such a statement would have been unfashionable, at best. Today, however, as Americans recapture their confidence in our basic systems of government and the values that support them, such a statement can not only be made with pride, it can be carried forth into action.

I ask then, on behalf of Chairman Fahrenkopf, your favorable and rapid consideration of the proposals before you. In these recommendations are embodied the lifeblood of American democracy, and the offer of wise and prudent assistance to those abroad in search of an enduring political entity.

Thank you.

Senator Dodd, I was taking the name of the party from a sign outside of the Democratic Headquarters in Hartford, Conn. It just says the Democrats.

Representative FASCELL. Mr. Chairman, thank you very much for this opportunity.

The CHAIRMAN. I want to thank you very much. In as much as we finished the markup yesterday, we will submit some questions to you for the record——

Representative FASCELL. We will be happy to respond.

The CHAIRMAN [continuing]. So that we can complete the record.

A couple of questions occurred to us on some details regarding funding and where the funds would be spent. We will keep the record open long enough for you to get back to us.

I very much appreciate your being here.

Mr. WEINSTEIN. Mr. Chairman, may I simply say that Ambassador Samuels, representing the Chamber of Commerce, is not here, but in his absence, I will submit his statement for the record.

The CHAIRMAN. Very well. We will put that in the record.

Senator Pell.

Senator PELL. Thank you, Mr. Chairman. I have one question to ask my old colleague, Congressman Fascell, and that is, do you believe the Democracy Program pretty well complements the action of our committee in earmarking the $116 million of traditional exchanges in fiscal 1984.

Representative FASCELL. Absolutely, Senator.

We have been very forthright in saying that we support all the existing programs and that what is presented here is complementary to the maintenance and existence and the enhancement of those programs. We are talking now basically of the Fulbright-Hays, the other exchange programs, the private sector programs that are the core of the operations of USIA. Absolutely.

Senator PELL. They provide the base upon which it is based.

Representative FASCELL. This is not a substitute for those programs, in any sense.

Senator PELL. Thank you very much.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much.

Senator Dodd, do you have a question?

Senator DODD. No question at all, but one point. We have talked about the study group and the members of the committee and so forth who have worked and are present in the room. In any effort, the staff people do the laborious job of putting these things together,

and we have had an incredible contribution from a wide variety of people who worked long and hard to make this a reality. I think we would be remiss in not recognizing one, that they are present here today but, more importantly, the contribution they made to this effort.

I did not want to let the opportunity go by without making note of that.

Representative FASCELL. Mr. Chairman, Ambassador Samuels is now here, and I am sure he would like the opportunity to speak.

The CHAIRMAN. If you could be very brief, sir, we would appreciate it. We are running overtime on our next hearing.

But we are very happy to have you here.

Mr. SAMUELS. Mr. Chairman, thank you very much. I have prepared a full statement which I hope will be included in the record.

The CHAIRMAN. It will be incorporated into the record.

STATEMENT OF HON. MICHAEL A. SAMUELS, VICE PRESIDENT, INTERNATIONAL, CHAMBER OF COMMERCE OF THE UNITED STATES

Mr. SAMUELS. Let me say, the gist of my prepared statement is to express pleasure with the decision of the executive branch to encourage the private sector to become involved in programs that would help build the institutional background that may evolve into democracies throughout the world, to indicate the hope that the Congress chooses to support this emphasis on such private institution building, to say that the business community looks forward to participating fully in this effort, and to make it clean that, on behalf of the business community whom I represent on the Executive Board of the Democracy Program, and of the U.S. Chamber of Commerce, where I am vice president, International, we support strongly the creation of the Democracy Endowment. We also urge that this committee and the Congress support a positive role for business under the Endowment at a level commensurate with its ability and emphasizing its role as an important institution for private enterprise throughout the world.

Thank you very much, Mr. Chairman.

[Mr. Samuels' prepared statement follows:]

PREPARED STATEMENT OF HON. MICHAEL A. SAMUELS

Mr. Chairman and members of the Committee, I am Michael A. Samuels, Vice President, International, Chamber of Commerce of the United States. I join my colleagues from the Democracy Program in thanking you for the opportunity to present the recommendations of our study group, on which I serve as the representative of business.

Truly, the study has been a unique forum to exchange views on strengthening democratic values and institutions abroad. The study itself has been an example of the values of pluralism as each of us has put forth our ideas and priorities. The Interim Report which has been submitted to you reflects the common ground we have found and the roles each of our organizations can play in future years, business and labor, Republicans and Democrats.

Let me add, Mr. Chairman, that I am particularly pleased that your Committee is considering our proposals. As a former Ambassador and as a representative of the business community, my experience has convinced me that the private sector can add a new dimension to the foreign affairs of the United States. The dimension I refer to is that of assisting in development of democratic institutions, including political parties and other pluralistic institutions, abroad. When I was privileged to serve as Ambassador to Sierra Leone, I was

particularly impressed with the work of the labor programs sponsored by the AFL–CIO. The contrast, however, between assistance provided by our government to labor and that not offered to other equally vital institutions was even more noticeable.

Americans have many different ideas about democracy and democratic institutions. What we can all agree on is the vital importance of a private enterprise system, in which representative political parties, unions, and other institutions play their respective roles. Each of these is a pillar of democratic pluralism. Indeed, the right of free association and free speech through a chamber of commerce, political party, union, or other organization is a fundamental freedom. Each institution—business, political parties, labor, and other facets of our democratic values—provides a guarantee of the survival of the whole democratic system.

Starting from this commonsense premise, our study group quickly found that existing foreign aid programs serve very different purposes. Our Interim Report supports continuing these programs.

Traditionally, the United States has supported foreign economic assistance and has committed massive funds to that end. The Marshall Plan is perhaps the best known case, particularly as it is generally regarded as a success. The Marshall Plan was directed mainly to the post-war recovery of Western Europe. For all of the subsequent Point Four type of assistance, directed mostly to the developing world, the record has been more varied. While there have been successes, there have been some failures. What this indicates is that the needs of the Third World go beyond the existing types of foreign aid that focus almost exclusively on economic development. And this is where the Democracy Program proposals can play a part.

There is no need for me to tell the Committee members that other nations, including the Soviet Union, already have programs aimed at shaping emerging Third World institutions. Democracy, by its very nature, cannot be imposed—but it can be strengthened and encouraged. The U.S. Chamber, the parties, labor, and others all have received requests over the years to assist our counterparts in other nations to strengthen their organizations. That is the knowledge transfer I spoke of a few moments ago.

The proposed National Endowment for Democracy is an excellent concept that can provide the funds and support necessary for business, parties, labor, and other representatives institutions to meet the requests we continue to receive from around the world.

You have already heard of the new party foundations and are aware of the labor programs. For its part, the business community takes this new challenge and opportunity seriously. The U.S. Chamber of Commerce is ready to launch a Center for International Private Enterprise within the National Chamber Foundation. The Center will formally involve the leaders of other representative business organizations on the advisory board drawn from the spectrum of business life. The Center will act as a common focal point for the business programs to provide continuity of experience, purpose and information.

The Center's efforts will be directed at strengthening business associations and institutions abroad to enhance their roles as supporters of private enterprise and democratic pluralism. We will expand our training programs, production of educational materials, communication facilities, and our exchange programs. In most cases, American chambers of commerce, located throughout the world, can serve as vital links to host country business and political leaders. The existing network of bilateral and multilateral business councils and regional associations will also serve as a vehicle for starting up and expanding on efforts to strengthen democratic values and institutions. Indeed, both the American chambers of commerce abroad and the bilateral councils will be encouraged to launch programs in cooperation with host country business communities.

While being a strong supporter of the national need for a program such as the Democracy Program recommends, I would be negligent if I did not share with you my concern over the specific funding levels before you this morning. I do not believe that the $2.5 million figure for business programs is an adequate level when compared with the amounts of $5 million being allocated to each of the two parties and the $13.8 million to labor. Although the disparity with labor is the largest, it is understandable in the context of labor's long involvement in similar international programs. It would be folly in the first year to fund beginning institutions on a level comparable to those in existence. Business enters this process, however, with the goal of becoming organized and effective so that fu-

ture funding levels for business will be comparable to those of labor. I would, however, expect greater funding comparability with the political party activities which, like those of business, require early organizing support. If the Congress believes the parties' foundations both deserve and can well spend $5 million each in fiscal year 1984, I would hope that the Congress believes business both deserves and can well spend $4.5 million in fiscal year 1983.

The programs of the Center for International Private Enterprise are described in the Interim Report submitted to this Committee. They deserve your full support.

In closing, let me express the hope that the National Chamber Foundation's new Center for International Private Enterprise, the party foundations, the labor institute, and other groups can become vehicles for recreating the spirit of bipartisan consensus in American foreign affairs. These organizations may also become vehicles to challenge the younger generation to take an active interest in world affairs.

The CHAIRMAN. Thank you very much. The President of the United States will be engaged in a battle of ideas tonight before world television and certainly before the American public. Secretary Shultz is in the Middle East in a battle for ideas there to end that terrible turmoil and bring peace to that area.

I do not know of any group that has come together that offers greater hope for the future to engage in that battle for ideas, a battle that we have not always really put a high enough priority on. You cannot just put the priority on the military. There is no military solution to a lot of problems that exist in the world.

Our ideas, we feel, are fundamentally sound and we have been somewhat reticent about espousing what we believe to be the most ingenious form of government that has been devised for building stability and peace in the world. When we consider that 80 percent of all the raw materials used by our factories and an increasing proportion of our exports and jobs depend upon international trade, we can recognize that a stable world, a peaceful world, a prosperous world, is absolutely essential to every single American.

We very much appreciate everything that you have done to bring this idea before us. The rapidity with which we have done our authorizing of it, I think, is an indication of the confidence that we have in your group and the basic concept itself.

[Whereupon, at 10:09 a.m., the committee proceeded to the discussion of other business.]

○